

Chair  
Cabinet Committee on State Sector Reform and Expenditure Control

## **BETTER PUBLIC SERVICES RESULTS: 2013 END-YEAR PROGRESS REPORT**

### **Purpose**

- 1 This paper reports on progress on Better Public Services (BPS) Results and proposes the publication of progress in February 2014.

### **Background**

- 2 On 8 July 2013, following reference from SEC, Cabinet considered the mid-year progress report on BPS Results and agreed to announce Results progress, noting that, the focus of Ministers and agencies on a few results and the achievement of targets is beginning to show significant gains to the benefit of individual New Zealanders, including the most vulnerable young people [CAB Min (13) 23/8].
- 3 Cabinet also noted the need for BPS Results to be reflected in agencies' Four Year Plans, as appropriate, and for monitoring agencies to ensure that relevant Crown entities are aware of the Government's expectations relating to the BPS Results targets.
- 4 A summary of progress for each BPS Result area, including the current data trends and forecast target achievement, is provided in Annex 1. The following sections provide an analysis of overall progress and commentary on the effectiveness of Ministers and agencies focusing on a few results and on the achievement of targets.

### **Executive summary**

- 5 In 2012, the Prime Minister announced ten BPS Results in challenging areas with stretch targets to be achieved over five years. While the 'traffic light' assessment of progress remains the same as in the first public report in July last year, positive trends have been reinforced in reducing welfare dependence; increasing immunisation; reducing crime and re-offending; and provision of online services for citizens. The education results (for early childhood participation, and boosting secondary and tertiary education achievement) are also performing solidly, but improving participation and achievement will get harder closer to target levels. At

this stage there is less certainty of target achievement for rheumatic fever, assaults on children and reducing business costs of dealing with government, in part because it is not clear that all necessary actions are in place, and in part because we are not confident about what the indicator data is showing.

- 6 Agencies have responded to the Government's challenge to get better results and better value for money from the public services it funds, and while it is too early to call a step change in the way the public sector operates, examples in the paper point to a public service that is more engaged with the communities it serves (including involving customers in service design); more effectively using data to target interventions or inform choices; joining forces to achieve results; shifting funding across traditional boundaries; and more focused on improvements at the front line.
- 7 Agencies continue to find it challenging to make decisions that are in the best interests of the broader sector and/or state sector system rather than serving the best interests of a single portfolio. The State Services Commissioner is currently re-focusing the work of the Commission so that it better supports the system approach needed for transformational change. Another challenge is to maintain the integrity of target data but also ensure that it is driving constructive action. Agencies also need to more effectively embed the BPS Results into Four Year Plans.
- 8 This paper signals the direction of travel for the BPS Results programme, including using the Results approach in agencies and portfolios outside the programme; stronger performance expectations for chief executives for collaborative and system-wide leadership; learning from what works and applying it more widely (including using data and evaluation more effectively); using more innovative approaches to achieve results, with a greater focus on delivering services that meet the needs of users and communities; and leveraging the resources of urban authorities to achieve government priorities.
- 9 This year we expect more focus on improving multi-agency governance to reduce the transactional costs of negotiation; further work with local authorities to use local data on target achievement to inform and drive local actions; and further external review of arrangements put in place to achieve BPS Results, with a focus on the effectiveness of collective action using new governance and funding arrangements.

### **What is working well?**

- 10 *Some Results are ahead of where they need to be to achieve targets:*
  - Reducing welfare dependence is ahead of the expected trend, assisted by New Zealand's economic growth.
  - The immunisation Result is well on track, with equity increasing across income and deprivation measures.
  - The crime reduction targets are likely to be reached ahead of the target date. The youth crime target (5% reduction) has already been achieved, and the target has been re-set at 25%.

11 *Engaging with communities.* Agencies are tapping into the energy and resources of communities to achieve results. For example:

- Result 2: the Early Learning Taskforce is working closely with the Manukau Institute of Technology to develop an affordable building that local communities can use to establish early childhood centres – a process and service design that could be used to address the urgent need for affordable ECE places in priority communities. The Taskforce’s Pasifika Church Partnership Strategy, which focuses on denominations with lowest prior participation rates, is another example of working with communities to co-construct innovative and sustainable quality early learning solutions.
- Result 3: Since October 2013, community health workers have engaged Pacific communities in Auckland and Wellington, raising awareness through face-to-face communications and awareness-raising events on how to protect fanau from rheumatic fever. This work is supported by a health toolkit of resources which has been translated into: Māori, Samoan, Cook Island Māori, Tongan, Niuean and Tokelauan.
- Result 5: The Ministry of Education, in partnership with Te Puni Kōkiri and the Ministry of Pacific Island Affairs, is engaging families and whānau to ensure that students are encouraged by supportive communities with an understanding of NCEA and its significance towards further education and employment.
- Result 9: There has been wide engagement with the business community to develop the work programme.

12 *Customer-focused service design.* Some Result areas have improved services by involving customers in their design. For example:

- Result 9: Agency chief executives have agreed to a future state delivery model where they collectively provide easily accessible, seamless and integrated services that are valued by business. Co-design and co-investment approaches have been used, for example to develop services following the implementation of the New Zealand Business Number.
- Result 10: Over the past six months, Result 10 agencies are re-examining their transactions based on customers’ needs and starting to re-design, simplify or combine them with other transactions. Examples of this new thinking are reflected in the BPS seed-fund projects to redevelop the Child Support application process, combine the services of applying for an IR number with applying for a visa, and removal of the departure card.

13 *Use of data to drive action.* Agencies are using data effectively to target interventions or inform choices. For example:

- Result 1: Based on the results of actuarial valuations (future liability appraisal), The Ministry of Social Development (MSD) has assessed the lifetime costs of different benefit types and the effect of policy changes on individuals within the benefit system. The investment approach is changing

the entire focus of the welfare system so that support is invested where it will make the biggest difference.

- Result 5: Schools and teachers have been challenged to know the actual numbers, names and needs of individual learners at risk of not achieving NCEA. The Ministry of Education's *Count Me In* strategy targets learners at very high risk of not achieving NCEA Level 2 in their current year, together with students from earlier years, to ensure a pipeline of students is better placed for success in the year they attempt the qualification. Māori boys, teen parents, alternative education, and Te Kura are also targeted.
- Results 7 & 8: Reflecting the dual focus of reducing crime and re-offending, the Justice Sector is focused on five outcome areas: reducing harm, reducing volume, improving services, maintaining institutions and managing investment. Success across these outcome areas will require the effective use of data to inform the development of targeted interventions in key areas such as family violence, and focusing on victims and offenders.
- Result 6 is using information on employment and earnings outcomes of occupations to enable students to make better informed decisions about the level of study and subject areas they should engage in.

14 *Taking collective action.* Agencies are joining forces to achieve results. For example:

- Result 3: The Ministry of Health has worked across agencies to develop and set up the Auckland-Wide Healthy homes Initiative<sup>1</sup>. Its aim is to ensure children living in the Auckland area who are at risk of developing rheumatic fever are identified systematically and offered a package of housing-related interventions to reduce their risks.
- Result 4: The Vulnerable Children's Board has established a Co-production Team to prepare advice on the operational model of the Children's Action Plan, including what new sites will be established and how they will operate. The operational model is being co-produced with Health, Education, Social and Justice Sector representatives, and representatives from NGOs.
- Result 9 agencies reached agreement to implement the New Zealand business number after previous attempts, over a number of years, had failed to get traction. The business number has now been implemented for registered companies.
- Result 10: Over 48,000 customers have visited the New Zealand Government Centre in Christchurch since its opening eight months ago. Customers receive personalised service at this one-stop shop and government agencies have a chance to trial and adjust new approaches to service delivery. The agencies operating in the centre are Work and Income, Inland Revenue, Seniors, StudyLink, and Child Youth and Family.

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<sup>1</sup> The Ministry has worked with the following agencies: Energy Efficiency Conservation Authority; Ministry of Social Development; Housing Corporation New Zealand; Auckland region district health boards; Auckland Council and the Ministry of Business, Innovation and Employment.

15 *Front-line focus.* Achieving results relies on taking action at the ‘front line’. For example:

- Results 7 & 8: The Justice Sector Leadership Board-led Hutt Valley Innovation Project has been very successful, providing the springboard for the roll-out of a nationwide programme emphasising innovation, collaboration and action. Since the establishment of the project, which is a comprehensive all-of-sector effort, the Hutt Valley has seen a reduction of: 23% in total crime; 21% in violent crime; 36% in youth crime; along with a 10% reduction in re-offending across the Wellington Region as a whole. The response from front-line staff (Police, Corrections, Justice, and Child, Youth and Family) to the programme has been very positive, and the importance of the BPS targets is now embedded across the sector. A Collective Impact Toolbox has been developed to further spread this methodology in a practical way to frontline staff.
- Result 3: Nurse-led rapid response clinics in Counties Manukau, Auckland, Waitemata and Capital and Coast DHBs provide quick, easy and free access to sore throat treatment for at-risk children who are not covered by the schools-based throat swabbing programme. More than 35 clinics are open with more work planned to expand services to provide free sore throat management for high risk children.

16 *Funding that crosses boundaries.* Successes include:

- The Justice Sector Fund, with \$83.945 million reprioritised to date, has successfully shifted resources to priority areas of the sector. The fund has funded innovative programmes, for example the expansion of Restorative Justice Services to every court in New Zealand. Police, Corrections and Justice are undertaking coordinated expenditure reviews as part of supporting the sustainability of the sector.
- The BPS Seed Fund has held two application rounds in 2013 and is proving its worth in providing seed funding, particularly important for Results 9 and 10. Much of the seed funding supports business case development, including for exploring integrated customer-centric solutions.
- Result 1: A Multi-Category Appropriation has been approved by Cabinet and is now being implemented to increase flexibility across employment-related Vote-Social Development appropriations.

### **Challenges agencies are grappling with**

*Achieving targets in difficult areas.*

17 While there are positive trends for all the BPS Results, there are hard yards ahead:

- *Rheumatic fever.* While the increase in hospitalisation in this period is not statistically significant, the data needs to start to trend downwards soon if the target is to be met. A range of interventions has just been implemented and will take time to have an effect. Despite this, decisions will need to be made

by mid 2014 on the need for extending the range and/or scope of these interventions - this should include an assessment of the Auckland-wide healthy homes initiative and if it should be rolled out in other targeted areas of New Zealand. Decisions about further steps in a longer time-frame will be informed by two research projects, currently being undertaken by the University of Otago, to understand in more depth the modifiable social and environmental causes of rheumatic fever, including the causes and drivers of household overcrowding. The research will also shed further light on an individual child's health factors (for example, poor oral health) which may contribute to their susceptibility.

- *Assaults on children:* The overall trend is encouraging, in that assaults on children has plateaued. But reaching the target has become more difficult if anything, with a small increase in the number of assaults in this reporting period. The target is a blunt representation of progress - the data is known to fluctuate and can be affected by administrative shifts, and the number of substantiated physical abuse cases may increase as actions are taken to increase the awareness and reporting of abuse. Better understanding of the data is necessary before trends can be clearly identified and then used to inform decisions.
- *Result 10:* While the chief executives of Result 10 agencies have made good progress to develop an agreed Blueprint to make it easier for New Zealanders to complete online transactions with government, it will need the backing of a wider group of agencies and Ministers, and a clear set of milestone deliverables, to achieve this Result. Wider backing for the Blueprint will be sought this year.

#### *Decisions and actions taken in the best interests of the State sector system*

- 18 The BPS Results introduce joint accountability to a public management system strongly driven by an existing model of single agency accountability to individual Ministers. This approach inevitably introduces tensions that need to be constructively resolved, particularly where there are competing priorities – for example, when the priorities for an agency to deliver on its transformational programme are in conflict with priorities for system transformation.
- 19 Decision-making in this environment has required Ministerial and chief executive Result leaders to establish governance that acts in the collective or State sector system interest (as opposed to individual agency interest), at Ministerial, chief executive and deputy chief executive levels.
- 20 At Ministerial level, ad-hoc Ministerial groups have proven particularly effective, for example Justice Sector Ministers meet regularly to decide on Justice Sector issues. The use of existing standing committees (for example Cabinet committees), while generally effective in maintaining a focus on Results, have full agendas to deal formally with Cabinet business and are less suited to governance activities such as setting direction, resolving cross-agency issues and open debate. We suggest that Ministers consider discussing with Result lead CEs whether ad-hoc Ministerial groups would assist.

- 21 At agency level, governance for cross-cutting work continues to be difficult. There are well established governance mechanisms, for example within the Justice Sector, but effective governance is more difficult where joint agency work is more recent and multiple agencies are involved – for example in Results 9 and 10. In these Result areas, some agencies are in the midst of a transformational programme that is not yet aligned with, and certainly on a different time-frame from, the system-wide transformation that is needed to achieve the Results. Result 9 and 10 chief executives have worked hard to ensure a collectively agreed pathway, but the transactional costs of negotiation with multiple agencies have been high, and there is an ongoing challenge to achieve cross-agency transformational change.
- 22 Inter-agency governance arrangements are also emerging closer to the point of delivery, at regional or community level. For example, Youth Guarantee Networks are being established around the country to bring together employers, education providers and wider community representatives to coordinate and deliver a wider range of education and training programmes to keep young people engaged in learning and contribute to the NCEA Level 2 target.
- 23 In the Social Sector there are a significant number of cross-agency initiatives, many with a focus on locally-led delivery models, and many in the form of trials or projects. The challenge facing the sector is how to move these from trials and projects into a new way of doing business as usual. The Social Sector Forum is focusing on the most challenging areas where joining up can have a substantial impact on getting results.
- 24 Effective governance will certainly play a key role in providing sustainable funding arrangements for innovations being progressed through the BPS Seed Fund. A number of business cases are expected for Ministerial consideration in 2014, including implementation costs. Difficult decisions lie ahead to allocate funding from agency baselines on the basis of the benefits/savings each agency may derive – and even more difficult where the benefit accrues to the system rather than to individual agencies.
- 25 All of these issues are being worked through by the agencies concerned, with the support of the Corporate Centre and the Ministers responsible for the Results. Ensuring effective governance and associated working arrangements for multi-agency work are crucial for the achievement of BPS Results, and we have commissioned further work on alternative forms of governance that may be used by the public sector to reduce the transaction costs incurred through cross-agency negotiations over direction, timing and funding of change.
- 26 The overall picture in response to a call for collective action to achieve Results is a mix of compliance, collaborative effort around defined projects, and some transformational change towards a systems approach. Work will continue on a system operating model and a different way of working by the State Services Commission. This will include an improved engagement strategy to build momentum in support of change. The State Services Commissioner continues to be focused on building and leading concerted efforts towards system change.
- 27 The approach will be to reinforce system change through existing mechanisms, and in that respect, projects such as Real Me, Results 9 and 10 more generally and the Vulnerable Children Result area are particularly significant.

### *Data issues with BPS targets*

28 Since targets were set in mid-2012, there have been changes to both the way data is collected, and to our understanding of the effectiveness of selected indicators in driving action. In considering changes in the following areas, Result lead Ministers and chief executives have balanced the desire for continuity in the way targets are framed and reported, and the desire to improve the accuracy and effectiveness of indicators that underpin the targets:

- Result 1: Consideration was given to changing the way the target is framed so that it better reflected the groups targeted by the investment approach, but it was decided to keep the existing target as a valid indicator of progress in welfare reform.
- Result 2: With the introduction of an individual identifier for ECE in 2014, determining the rate of participation in ECE will become much more accurate, but will affect the existing data series and possibly make it more difficult to reach the target.
- Result 4: The indicator is not a particularly good representation of progress – the data is volatile, and an increase in the number of reported assaults may indicate positive progress in recognition and reporting of abuse. A data error that impacts on the baseline and thus on reports of progress towards target has been identified and rectified.
- Result 6: The qualification categories within the Household Labour Force Survey (HLFS), the data source for tracking this target, changed in June 2013. The resulting increase in qualification attainment from category changes may lead to the target being revised.
- Result 7: Consideration was given to changing the basis for calculation of the youth crime rate. Ministers decided to retain the methodology, but revise the target for reduction in youth crime from 5% to 25%.
- Result 9: Result 9 uses a business reference group study to assess the effort (as a proxy for cost) of interacting with government. This is the first progress report using this data and indicates that the perception of effort has increased slightly since 2012. While this increase is not statistically significant, some businesses identified that it initially takes additional effort to implement changes that will save them effort in the long run. As initiatives are rolled out, the data-set will provide a more specific assessment of progress.

29 Maintaining the integrity of the data that underpins targets is important, but so too is ensuring the targets are driving constructive action; that the focus is on the outcome, not simply on target achievement.

### *Embedding BPS Results in public sector management tools*

30 In the July progress report, Cabinet noted the need for BPS Results to be reflected in agencies' Four Year Plans (4YPs). This was supported by central agency guidance on 4YPs.

- 31 Agencies have responded by more explicitly incorporating the Results in this year's 4YPs. There are good examples of agencies framing their strategies around the Results. For example, the Justice Sector has collectively developed a 4YP and Results 7 and 8 are sector goals in front and centre of the plan; and the social sector has jointly developed a common section that is included in all of their 4YPs.
- 32 In other cases, agencies are starting to signal the need to move from just managing increasing costs through identifying efficiencies and savings, to identifying the need to make decisions around prioritising resources and trading-off lower priority activity. That said, this is work in progress for most agencies, and they have a long way to go.

### **Next actions**

- 33 Next actions are to broaden the Results approach by improving collective action between Result areas, and strengthening links with programmes outside BPS Results. Examples to build on include:
- Result 9 and Result 10 are working closely in those projects that intersect with the ICT Strategy and Action Plan.
  - The Justice and Social sector are working more closely together on the Vulnerable Children Results work and other initiatives. Child, Youth and Family have also actively participated in the national programme of frontline workshops. Both sectors are continuing to work more closely together, including in less operational areas such as data sharing and research.
  - The Welfare Reform programme includes child health checks, ECE and outstanding warrant social obligations.
  - MSD's Youth Service programme involves significant investment to support youth into school, training and employment.
- 34 Some Ministers have already asked their agencies to use the Results approach in other areas of their portfolios. For example, ACC has been asked to use this approach in the development of the Injury Prevention Strategy, where collective action and joint accountability are required.
- 35 These actions by Ministers and agencies serve to increase the awareness of relevant Crown entities of the Government's expectations about BPS Results targets, and start to spread the Results approach to the wider State sector. We expect further extension of the Results approach in these ways during 2014.
- 36 Recent changes set out in the State Sector and Public Finance Reform Act extend the responsibilities of chief executives; requiring them to be responsive to the collective interests of the government and being explicit about their stewardship role regarding the Crown's and departments' medium and long-term interests. Performance expectations for Public Service chief executives for 2014 and beyond have been refined with a sharper focus on collaborative system-wide leadership and achievement of results.

## Further opportunities

- 37 There are opportunities to learn more about what is working to improve BPS Results and apply this to other areas. This depends on Result areas learning from each other, and on effective programme evaluation. For example, Result 9 has contracted an external review or 'health check', the findings from which have been useful for understanding more about complex issues such as multi-agency governance, as well as providing a basis for improvement of the Result 9 programme. This builds on the approach used by the Children's Action Plan Directorate in its review of Children's Teams (which is key to the Vulnerable Children Results).
- 38 We encourage all Result lead chief executives to consider commissioning external reviews of arrangements put in place to achieve BPS Results, with a focus on the effectiveness of collective action using new governance and funding arrangements. In the next progress report (July), we will outline where and when any external reviews are planned. The Corporate Centre will also do more to promote system learning in 2014 by sharing what is learnt through external reviews and through Community of Practice workshops.
- 39 In Auckland there are a number of initiatives underway to align the Auckland Council's Auckland Plan with the BPS Results. The Council is working with government agencies to better link its resourcing, information and local initiatives with several of the Results. There are opportunities to extend this approach to other urban councils. Examples from Auckland include:
- The Auckland Skills Steering Group, co-chaired by the Auckland Council and Ministry of Education, has a strong focus on aligning actions to achieve the NCEA L2 Result. The Group is using the Mangere – Otahuhu area to align a number of government agencies and Council-Controlled organisations to lift educational achievement.
  - Auckland Council's regulatory role has been linked to efforts to increase early childhood provision in areas of low Maori and Pasifika participation.
  - A programme to reduce Family Violence in Auckland will have positive impacts on Results 4, 7 and 8. It is led by the Justice Sector and MSD, and also involves Auckland Council and the region's DHB's.
  - A programme led by the Ministry of Education and MSD, focused on improving outcomes for 0-5 year olds, also involves the Auckland Council, DHBs and MPIA. It builds on the ECE participation and immunisation programmes and has developed a coordinated approach to communicating to communities of interest. The programme takes opportunities such as the Pasifika Festival and Waitangi day celebrations to set up a Children's Zone where families can get advice and practical support (for example dental checks and throat swabs for Rheumatic Fever).
  - The Social Sector Forum and the Auckland Social Sector Leaders Group are carrying out a stocktake of activity in Auckland. Activities within the scope of this work are intended to support core social outcomes. Auckland Council will be engaged with this work to find opportunities to deliver on shared priorities.
- 40 We expect greater focus on 'localising' the Results during this year, in particular by using local data on target achievement to inform and drive local actions. To

this end, work is underway on compiling and releasing data for Auckland, such as a dashboard, that illustrates progress towards several of the BPS Result targets at a local or regional level.

- 41 The system-level approach of the Corporate Centre Analytics and Insights team (working on the *Analysis for Outcomes* project) starts to come on stream in 2014. This initiative uses multi-agency data, giving us a new tool that will provide insights into how interventions by multiple agencies are impacting on individual clients, so that investment can be better targeted on what works. Work carried out in partnership with the Ministry of Education is already leading to greater focus on outcomes for individual young people and has the potential to drive different actions to achieve results.
- 42 Agencies are using innovative approaches to achieve results, for example the design thinking used effectively by Result 10, and the use of Inland Revenue's 'Collaboration Zone' to accelerate the development of the future state delivery model by Result 9. A number of BPS seed fund initiatives have supported innovation start-up, for example, social bonds development, now being led by the Ministry of Health. There is an opportunity to extend innovative thinking and practice further across Result areas and beyond. For example, the Ministry of Business, Innovation and Employment is considering how the Business Growth Agenda work on innovation can be applied to socio-economic challenges and opportunities. Consideration is also being given to applying the innovation approaches used in Christchurch to other cities, such as Auckland. A key to success would be to work closely with communities to develop and test new approaches to service delivery. The State Services Commission is also exploring how to better support the development of leadership for innovation in Auckland.

### **Public reporting on progress**

- 43 Cabinet has asked for progress on all BPS Results to be publicly reported annually [CAB Min (13) 2/10]. Progress on Results was last publicly reported in July 2013, immediately following Cabinet consideration of the report. At that time Ministers and chief executives were able to use the opportunity provided by the release of the six-monthly report to comment favourably on progress towards the Government's targets and on the effectiveness of new ways of working to achieve outcomes important for New Zealanders.
- 44 Results progress in the last six months has been similar to the previous period. The Government could take the opportunity to reinforce progress by releasing the report in February (following Cabinet). Alternatively, we could stay with annual reporting and report progress again in July.
- 45 We propose that progress on BPS Results be announced by the Prime Minister in February, with Ministers and chief executives responsible for Results also taking opportunities to describe progress made in their areas. The announcements will refer to the BPS web-page on the SSC website, which includes a snapshot of progress for all Results (attached as Annex 2). Once progress on Results has been announced, this Cabinet paper, including Annex 1, would be released on the State Services Commission's website.

## **Consultation**

- 46 This paper has been prepared by the State Services Commission and Treasury. Result lead chief executives have been consulted in the preparation of this paper, along with Statistics New Zealand. The Department of the Prime Minister and Cabinet and the Office of the Auditor General have been informed.

## **Financial Implications**

- 47 Implementation plans to achieve Results have been factored into Four Year Plans and form part of the priorities for Budget 2013 and 2014.

## **Human Rights**

- 48 This work has no human rights implications.

## **Legislative Implications**

- 49 There are no legislative implications.

## **Regulatory Impact Analysis**

- 50 Regulatory impact analysis requirements do not apply.

## **Gender Implications**

- 51 This work has no gender implications.

## **Disability Perspective**

- 52 There are no disability implications.

## **Publicity**

- 53 See the section on *Public reporting on progress* above.

## **Recommendations**

- 54 It is recommended that the Committee:

- 1 **note** that on on 8 July 2013, Cabinet: [CAB Min (13) 23/8]:
  - 1.1 considered the mid-year progress report on Better Public Services (BPS) Results and noted that, the focus of Ministers and agencies on a few results and the achievement of targets is beginning to show significant gains to the benefit of individual New Zealanders, including the most vulnerable young people; and

- 1.2 noted the need for BPS Results to be reflected in agencies' Four Year Budget Plans, as appropriate, and for monitoring agencies to ensure that relevant Crown entities are aware of the Government's expectations relating to the BPS Results targets; and
- 1.3 agreed to announce Results progress in July 2013.
- 2 **note** that while good progress continues to be made in all Result areas, with some Results ahead of milestones to achieve targets, agencies still face difficult challenges to achieve targets, particularly in the Vulnerable Children Result area
- 3 **note** that agencies are operating differently to achieve BPS Results, and there are opportunities to build on and extend the Results approach in 2014
- 4 **note** that, during 2014, we expect more focus on improving multi-agency governance in Result areas; greater use of local data on target achievement to inform and drive local actions; innovation in service delivery to better meet the needs of users and communities; and further external review of arrangements agencies have put in place to achieve BPS Results
- 5 **note** that, work is underway on compiling and releasing data for Auckland, such as a dashboard, that illustrates progress towards several of the BPS Result targets at a local or regional level.
- 6 **agree** to announce results progress in February 2014.
- 7 **agree** to release this Cabinet paper, including Annex 1, following the public communication of progress on Results.

Hon Bill English  
**Deputy Prime Minister**

Date: \_\_\_/\_\_\_/\_\_\_

Hon Dr Jonathan Coleman  
**Minister of State Services**

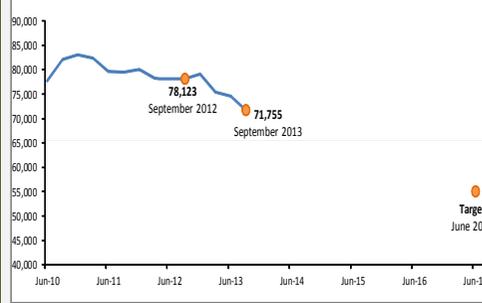
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# 1 Reducing long-term welfare dependence

Reduce the number of people continuously receiving working-age Jobseeker Support benefits, for more than 12 months, by 30%, from 78,000 in April 2012 to 55,000 by 2017

## Progress towards target Y

Number of people continuously receiving Jobseeker Support (JS) for more than 12 months



### What the data tells us

The target group decreased from June 2013 to September 2013 by 2,804 clients. This quarterly decrease is despite an expected increase due to the low availability of seasonal work.

An annual view shows that since September 2012 numbers have decreased by 6,368 (8.2%). This has been driven by reductions in Work Ready clients (15.9% reduction) and Health Condition and Disability clients (0.7% reduction).

### What has happened for NZers

Implementation of Work Focused Case Management (WFCM) for 82,000 clients at risk of long term welfare dependency across all service centres. This intensive case management supports clients into full-time or part-time employment and reduces the length of time they depend on a benefit.

The focus is on face-to-face case management. Clients receive information and assistance with job searching that is tailored to their experience and capabilities. They are also referred to an extended menu of employment-related services and training that reflects the prevailing local labour market and the needs of employers.

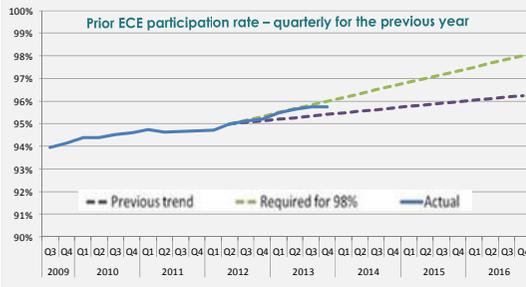
WFCM was implemented in 24 locations for up to 10,000 between October 2012 and June 2013. During that period, 6,743 clients exited benefit through WFCM, 54% of which were from the BPS target group. WFCM was rolled out to all service centres from 1 July 2013. Since July, there have been 11,163 exits from benefit through WFCM, 45% of which were from the target group.

Work Focused Case Management- Health and Disability stream started rolling out from 15 July 2013. This has started in 23 locations with 5,000 clients, and will be progressively rolled out in early 2014.

# 2 Increase participation in ECE

In 2016, 98% of children starting school will have participated in quality early childhood education

## Progress towards target Y



### What the data tells us

The early childhood education prior-participation rate was 95.7% for the year to December 2013. This was up by 0.5 percentage points from 95.2% for the year-ended December 2012, and was the same as for the year-ended September 2013.

The growth in the national rate needs to be higher to be on-track for reaching the 98% goal by the end of 2016.

### What has happened for NZers

The Early Learning Taskforce continues to develop connections between ECE services and the communities they operate in:

The development of the Pasifika Church Partnership Strategy enables a deliberate focus in denominations with the lowest participation rates (i.e. Samoan, Tongan, Cook Island). We are working collaboratively to identify opportunities and co-construct quality early learning solutions that are innovative, sustainable and meet the needs (including identity, language and cultural) of the Pasifika children, parents, families and communities. As a result of this approach 20 Tongan playgroups have been established.

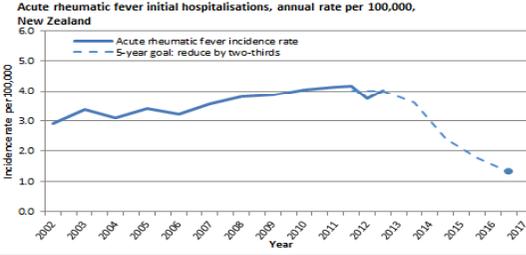
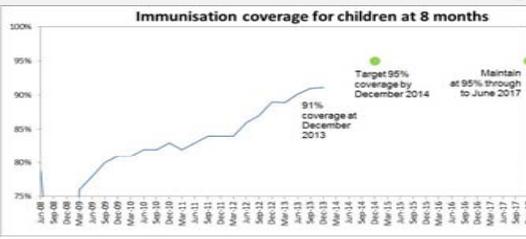
We have collaborated with iwi and other agencies to develop specifically designed programmes that take account their identity, language and culture, to increase supply and demand in their rohe; for example, Poukai Pepi, a dual-agency initiative developed in conjunction with Te Puni Kōiri, led and delivered by Waikato Tainui.

We have supported New Zealand Rugby League (NZRL) to begin creating a learning hub within the league community through promoting and championing early learning utilising NZRL facilities. Two playgroups have been established in club rooms in Mangere and Otara. As a result of this work, NZRL are now exploring creating a Community Hub with support from MOE, MSD, ACC, MOH, TOPK, MPIA and Police.

# 3 Increase infant Immunisation and reduce rheumatic fever

Increase infant immunisation rates so that 95% of eight-month-olds are fully immunised by December 2014 and maintain this through to June 2017. Reduce the incidence of rheumatic fever by two thirds to 1.4 cases per 100,000 people by 2017

## Progress towards targets G A



### What the data tells us

Immunisation results continue to progress well, with 91% of 8-month-olds fully immunised. Equity is increasing across income and deprivation measures: 93% Pakeha; 88% Māori; 93% Pacific and 96% Asian. Coverage has increased to 90% for those living in deprivation quintiles 9 and 10

The provisional incidence rate for acute rheumatic fever initial hospitalisations for the financial year ending June 2013 is 4.0 per 100,000 (180 hospitalisations). This is a decrease from the financial year 2011/12 when the rate was 4.2 per 100,000 initial hospitalisations. However, the 2012/13 numbers (for the year to June 2013) represent an increase from those in the 2012 calendar year ending December 2012. These changes are not statistically significant and continue to be considered to be on track for delivery of the target in 2017

### What has happened for NZers

Through early enrolment, GPs are offering a range of appointment times that meet the needs of the families and are able to talk to them about the benefits of immunisation. Nurses and other health professionals complement general practice teams by going the extra mile to immunise children; this includes going to children's homes and immunising them there. This approach removes a lot of barriers to immunisation, such as lack of transport, not having car seats and having to bring other children to the clinic.

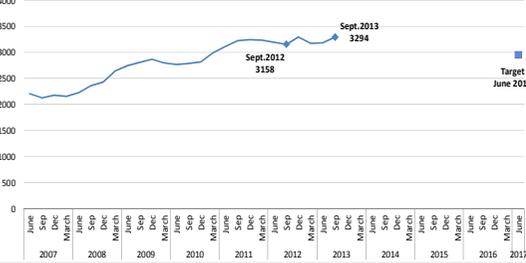
The three metro Auckland DHBs are providing a rapid response throat swabbing service across the greater Auckland area. Clinics have been introduced in easily accessible locations, such as shopping malls, to provide timely and free sore throat assessments and treatment for high risk children.

# 4 Reduce assaults on children

The 10-year rise in children experiencing physical abuse will be halted and current numbers reduced by 5% in 2017

## Progress towards target A

Number of children experiencing substantiated physical abuse (year to September 2013)



### What the data tells us

In the year to September 2013, 3294 children experienced substantiated physical abuse, a 4.3 per cent increase from the year to September 2012 figure of 3158.

The previous trend of stepped increases in physical abuse substantiations appears to have slowed over the last two years. However, these figures are known to fluctuate and a sustained trend cannot be assumed at this time.

NOTE: These figures have been corrected following the identification of an error in the official Child, Youth and Family (CYF) Consistent External Information (CEI). The corrected numbers are higher than those previously reported; however, the trend to June 2013 was generally consistent with previously reported trends.

### What has happened for NZers

In the Rotorua Children's Team site, Tipu Ora has developed "Ohu" or pods comprising a mix of Tamariki Ora, Family Start and other professionals and kaitiaki. Whānau are referred to the Ohu who then work together to provide an integrated service based on the needs of the child and family. Tipu Ora report positive changes in how the service lines are working together for children. Social Workers in Schools (SWIS)- All decile 1-3 primary schools now have an have an allocated social work provider however the recruitment of social workers is still underway. 96% (142.5/149) of new social workers are in place with the remaining 4% expected to be in place in early 2014.

**KEY**

**Forecast Target Achievement**

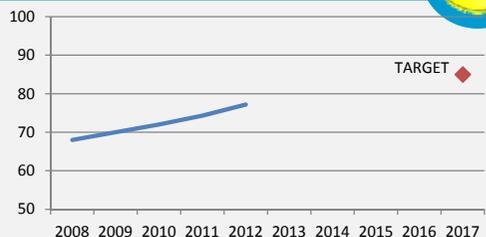
- G On track
- Y On track, but changes not yet embedded
- A Progress, but issues to resolve
- R Urgent attention required

# 5 Increase proportion of 18 year olds with NCEA L2

85% of 18 year olds will have achieved NCEA level 2 or an equivalent qualification in 2017

## Progress towards target

Y



### What the data tells us

The 2012 result was 77.2% of 18 year old learners achieved NCEA L2, exceeding the 2012 interim target of 76.1%. Māori and Pasifika achievement fell short of interim targets; however Māori students demonstrated the fastest rate of improvement (3.8%) from 2011 to 2012. In 2013 an additional 745 (5.5%) Māori and 265 (3.9%) Pasifika 18 year olds will need to achieve NCEA L2 to meet the interim target. Results for 2013 will be available in mid-2014.

#### Gearing-up to achieve the target

For 2014 the Ministry of Education is:

- Marshalling resources through the 'Count Me In' strategy to:
  - broaden the range of schools partnering with the Ministry to apply the Achievement 2013-17 intervention methodology;
  - deepen the interventions to include learners at very high risk of not achieving NCEA L2 and targeting students earlier (from years 9, 10 and 11) to ensure a pipeline of students is better placed for success in the year they attempt NCEA L2; and
  - increase the focus on groups where recent evidence has provided a basis for targeting interventions – such as Māori boys, teen parents, alternative education, and Te Kura.
- Implementing the 'Building on Success' programme to work with school leaders and teachers on professional leadership, schooling practices, and curriculum design, to increase educational success for Māori.
- Facilitating new opportunities for learners through ten new collaborative arrangements and networked provision to offer vocational pathway programmes to meet learner, local community and industry needs; and
- Implementing a sixth vocational pathway for 'Creative Industries'.

### What has happened for NZers

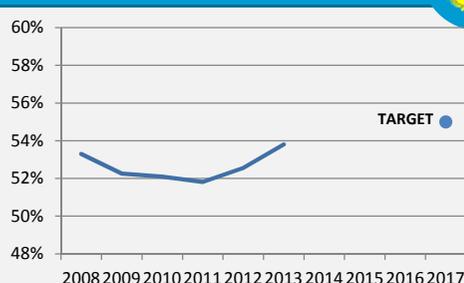
- 2,711 students were targeted by 129 schools participating in the Achievement 2013-17 for accelerated achievement of NCEA L2.
- 8,500 Youth Guarantee fees-free places were offered at tertiary education organisations. In 2012 62% of students in a Youth Guarantee fees-free place achieved NCEA L2 by age 18 compared to 52% of an equivalent comparison group. There are 10,000 fees-free places in 2014 and these places will also be open to 18 and 19 year olds.
- 3,695 places were offered within 22 Trades Academies providing contextualised and cross-curricular vocational learning towards NCEA L2 or equivalent. In 2012 83% of 18 year olds in Trades Academies achieved NCEA L2 compared to 70% of an equivalent comparison group. The number of places in Trades Academies is increasing to 4,500 in 2014.

# 6 Increase proportion of 25-34 year olds with NZOF L4 or above

55% of 25 to 34-year-olds will have a qualification at level 4 or above by 2017

## Progress towards target

Y



### What the data tells us

In 2013, 53.8% of 25-34 year olds had a qualification at Level 4 or above, up from 52.6% in 2012. Changes to the Household Labour Force Survey qualification question in June 2013 may have contributed to this increase. Further analysis will monitor the impact of the question change.

#### What's needed: Maintain or increase the proportion of young people enrolled in a qualification at Level 4 and above

In 2012, 50% of 19 year olds had enrolled in qualifications at Level 4 and above, maintaining the 2011 participation rate.

#### More young people completing qualification

In 2012, 34% of 22 year olds had completed a qualification at Level 4 and above, up from 32% in 2012.

#### Monitor the impact of net migration on reaching the target

Net-migration flows indicate New Zealand is retaining and attracting more people aged 25-34 years, with the net-migration rate 1.8% in year to December 2013, up from 0.6% in 2012.

### What has happened for NZers

#### Strengthening information available for students

- Published key information about salary and employment outcomes from study options to inform student's choices.
- Released *Occupation Outlook*, an overview of job demand, likely incomes, and training requirements for 50 career options.

#### Expanding and improving apprenticeships

- Introduced New Zealand Apprenticeships, requiring study at a minimum of Level 4, and extended the Apprenticeship Reboot.
- Extended the additional support associated with New Zealand Apprenticeships to those aged over 21 years.
- Expanding Māori and Pasifika trades training initiatives to support an additional 3,000 trainees by 2017.
- These changes will support an additional 14,000 new apprentices over the next five years – over and above the 7,000 who enrol every year.

#### Boosting engineering graduates

- Increased funding for, and promotion of, engineering has contributed to approximately 350 more engineering students at Level 5 and above in 2013, compared to 2012.

#### Expansion of tertiary study opportunities

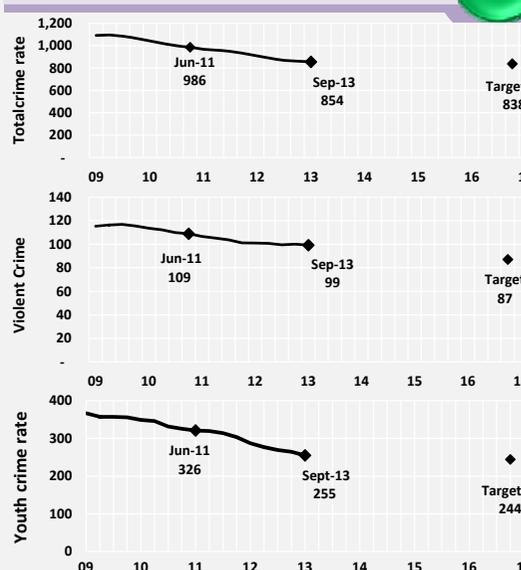
- Bachelor degree enrolments for 18-24 year olds were 4% higher in 2013 than 2010.
- The 2014 expansion of AUT's South Campus in Manukau provides tertiary education opportunities within a community with lower educational attainment.

# 7 Reduce the rates of total crime, violent crime and youth crime

By June 2017, reduce the crime rate by 15%, reduce the violent crime rate by 20%, reduce the youth crime rate by 25%

## Progress towards target

G



### What the data tells us

All measures are on track and a revised youth crime target of 25% reduction (was 5%) was launched in September. Since June 2011, total crime, violent crime and youth crime have dropped 13%, 9% and 22% respectively. The recorded crime rate is now at its lowest level in over 30 years.

### What has happened for NZers

In the year ending September 2013, there were nearly 51,553 fewer crimes (3,560 fewer violent crimes), and 1,524 fewer youth court appearances than in the year ending June 2011, meaning thousands fewer victims and improved public safety.

**Enhanced sector collaboration is a priority:** the Justice Sector is focused on frontline initiatives that prevent crime, and reduce harm. Policing Excellence has embedded preventative activity as business as usual. As a Sector we have focused on key projects to provide a better response to victims. This includes the Hutt Valley Innovation Project, Flagship Initiatives in 3 high-crime locations and 9 frontline workshops to build sector collaboration in support of BPS.

**Vulnerable youth are a focus:** the Youth Crime Action Plan coordinates the government approach to the prevention of, and response to, youth crime and includes heavy community engagement.

**Reduction of alcohol and drug abuse:** The Justice Sector is enhancing youth addiction services and is piloting an Alcohol and Other Drugs Treatment court. The Sector worked closely with local government to develop local alcohol plans that are well informed.

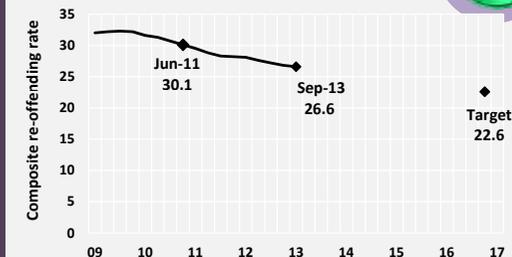
**Services continue to be improved:** Courts modernisation is a major focus for the Sector, to further drive better service for NZers. The implementation of the Criminal Procedure Act has led to a more responsive court. The Police Mobility roll-out has continued to allow frontline Police hours to be reprioritised to priority victims and areas.

# 8 Reduce reoffending

Reduce the re-offending rate by 25% by 2017

## Progress towards target

G



### What the data tells us

The combined reoffending rate has decreased by 11.4% since June 2011. This reduction means approximately 2,091 fewer offenders than in the year ending June 2011, resulting in fewer victims, less loss of human potential and, over time, greater ability to reinvest into other areas. Overall, the re-offending rate is on track to achieve a 25% reduction in re-offending by 2017.

### What has happened for NZers

The Department of Corrections has significantly increased education, training, employment, rehabilitation and re-integration services for offenders.

**Working Prisons** are being implemented at three sites that will see offenders engaged in a structured 40-hour week of employment, education and rehabilitation activities.

**Corrections has partnered with Housing NZ** to see a minimum of 150 houses refurbished over the next five years, and will provide offenders with skills to contribute to the Canterbury rebuild. Momentum is building in the **linking of offenders with employment opportunities**, including more than 600 prisoners participating in the Release to Work programme during 12/13.

**Expanded literacy and numeracy training** was delivered to over 3,420 prisoners (an increase of more than 1,900 from 2011/12)

**Proven rehabilitation programmes** have been expanded or introduced, such as a refresh of the medium intensity rehabilitation programme, and the expansion of the Kowhiritanga programme for female prisoners to offenders in the community.

**The introduction of the 'Out of Gate' service** (funded by the Justice Sector Fund) ensures offenders have ready access to the reintegration support they need as they leave prison.

### KEY

#### Forecast Target Achievement

- G** On track
- Y** On track, but changes not yet embedded
- A** Progress, but issues to resolve
- R** Urgent attention required

# 9 NZ businesses have a one-stop online shop for all government advice & support

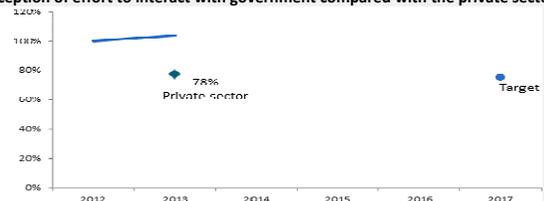
Business costs from dealing with government will reduce by 25% by 2017, through a year-on-year reduction in effort required to work with agencies

Government services to business will have similar key performance ratings as leading private sector firms by July 2017, and businesses will be able to contribute to this through an online feedback system from July 2013

## Progress towards target

A

### Perception of effort to interact with government compared with the private sector



### What the data tells us

Result 9 has a reference group made up of a sample of businesses and this group's survey responses are used to measure progress against Result 9 targets. The reference group is being surveyed annually from 2013 to 2017 and this cohort enables measurement of changes in perceived effort requirements over time. The first survey, completed in October 2013, revealed that the majority of reference group members had not yet perceived a change in effort, i.e. there was no discernible increase or decrease. Out of those who had perceived a change, more considered that the effort had increased slightly over the 2012 baseline. The margin of error for this cohort size is + or - 4%, which is not a significant difference statistically but will be useful in measuring Result 9 progress. Those who perceived a decrease in effort cited the improved ability to interact online and other improvements in systems and processes. This is supported by customer insights that show increasing digital pick up of government services is a key indicator for reducing perceived and actual effort.

### What has happened for NZ businesses

Allocated a New Zealand Business Number (NZBN). The use of the NZBN will enable Less administration. Over 1,000,000 NZ registered companies have been companies to spend less time and effort on government administration and more time and effort on their business.

Increased digital service delivery As at 30 December 2013 approximately 184,000 had filed e-GST returns through myIR, with approximately 825,000 returns filed since myIR began in September 2012. The number of 'e-returns' now exceeds paper-based returns. Over 1.7 million people are now registered for all secure online Inland Revenue services, including e-GST, along with text and e-alerts reminders for customers. Associated Result 9 work areas and services include online feedback tools piloted on the NZTE website, the resources and tools delivered by Business.govt.nz, including the ONEcheck online company detail search tool. Other digital services growing in use include online IP registration at IPONZ and NZAU Connect, a world-first in enabling smartphone users to search NZ and Australian business names registers simultaneously.

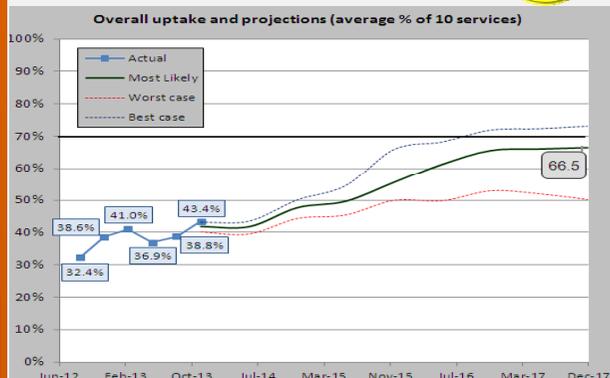
Customer focus NZ businesses are mainly small businesses; the majority of them have five or fewer employees. Their time is valuable – they want to work on growing their business - and they are quick to pick up services that provide easy and efficient transactions. Result 9 agencies are focused on making interactions with government easier for businesses. They are working collaboratively and using the customer insights and feedback that they all actively seek.

# 10 New Zealanders can complete their transactions with government easily in a digital environment

An average of 70 per cent of New Zealanders' most common transactions with government will be completed in a digital environment by 2017 – up from 29.9 per cent from baseline.

## Progress towards target

Y



### What the data tells us

This quarter an average of 43.4% of New Zealanders chose to transact with government digitally. Digital services designed to satisfy customers get the largest customer uptake. This fact is indicated in the upward trend in the digital uptake of transactions reported by the eight agencies participating in Result 10 over the past six quarters.

Result 10 analysis of agency's projections showed the most likely estimate of digital uptake was 66.5% in December 2017. Agencies have agreed to a set of actions over the next 18 months that will drive digital uptake above 70% by December 2017. The next round of projections, set for early 2014, will reflect the first changes made by agencies.

Agencies' understanding of measurement data continues to improve over time. Agencies can identify actions that drive digital uptake and interpret key external factors including seasonal variations. For example, tax agents and students are more likely to complete transactions digitally and this occurs at certain times of the year.

### What has happened for NZers

Helping NZers. The Ministry of Social Development frontline staff are encouraging New Zealanders to use the new secure self-service kiosks set up in MSD service centres across the country in September. Clients can apply for financial assistance, log on to their account and search for jobs, and (with a saved CV) apply for jobs online. New Zealanders used 1,800 kiosk sessions per day since the September 2013 deployment.

Combining Services. Since July, 94% of parents registering the birth of their child opted to apply for an IRD number at the same time. The combined process, which was designed around the user, saves new parents hours of time and makes it easier for them to apply for government services including opening a KiwiSaver account.

More easy online services. To make it easier for campers to reserve space in a hut or campsite, DOC has expanded and improved its digital booking system. The new system will soon offer online bookings for nine campgrounds not currently bookable online. DOC will add more locations over the next few months.

### KEY

#### Forecast Target Achievement



On track



On track, but changes not yet embedded



Progress, but issues to resolve



Urgent attention required