Chair
Cabinet Business Committee

BETTER PUBLIC SERVICES RESULTS: REFRESH OF TARGETS AND MEASURES

Purpose
1 This paper asks Ministers to agree proposed changes to existing Better Public Services (BPS) Result targets and measures.

Executive summary
2 The BPS Result targets have proven effective in driving a collaborative response to some of New Zealand’s most difficult issues since they were set, more than two years ago, but some adjustments to targets and measures are now needed to improve their effectiveness.

3 We propose to:
   - Set higher targets for total crime (Result 7) and workforce skills (Result 6), as signalled prior to the election, to provide greater stretch. Target achievement dates will be extended by one year
   - Change the target and measures for reducing long-term welfare dependence (Result 1) and add measures for improving citizens’ interaction with government (Result 10), so that they provide incentives better aligned with the policy intent
   - Retain the existing targets and measures for Result 5, the youth crime target in Result 7, and for Result 9, but also develop and report other measures that will provide better information about progress in these Results
   - Make no change to targets and measures for Result 8, or for the vulnerable children Result area (Results 2 – 4) at this stage, but signal possible changes over this term of government.

Background
4 The BPS Result targets and the measures on which they are based were agreed by Cabinet in June 2012. The targets have been an effective way of
driving a focus on achieving outcomes. While there are arguments for measuring progress on a consistent basis, we consider that some adjustments to targets and measures are needed to improve their effectiveness. For example:

- **Insufficient stretch in some areas.** Two years into five-year targets, two of the crime targets have been met (the youth crime target has been met twice), and the workforce skills target (Result 6) will soon be met. In the run-up to the election, Ministers announced new targets for Result 6 (from 55% to 60% of 25-34 year olds having a qualification at Level 4 or above), and for overall crime reduction (from 15% to 20%).

- **Targets may not be providing the right incentives.** For example, the Result 10 target may be achieved through the efforts of individual agencies increasing on-line business with their customers, without the result - making citizens’ transactions with multiple government agencies easier - being achieved. Similarly, the beneficiaries target is not driving the investment approach that is central to the welfare reform.

- **The data on which the measures are based may change.** For example, a change to the Household Labour Force Survey (HLFS) qualification categories meant that the Result 6 target needed to be recalibrated; and a new data collection system for early childhood education (ECE) is likely to mean the ECE participation target will need to be changed in the future.

5 At a meeting of SEC on 1 July 2014, following discussion about the adequacy of some of the current BPS Result targets and measures, we suggested a refresh of Result targets and measures post-election. This paper explores options and asks for decisions in several Result areas.

**Options for change**

6 The BPS Results programme has been successful in focusing officials, Ministers and the public on addressing issues in some difficult policy areas. We do not envisage wholesale change to the Results targets and measures because existing commitments need to be delivered before changing direction. In most cases we recommend the targets are retained but are underpinned by other measures (or indicators) that better support the policy intent. Progress against these additional measures would be reported alongside target achievement in the six-monthly BPS Results report, and would be taken into consideration in determining the ‘traffic light’ rating of progress, as set out in the criteria for rating forecast target achievement (refer to criterion 2 in Annex 2).

7 Recommendations for change are based on the following criteria for targets and measures:

- Tangible, measurable, meaningful
- Provides sufficient stretch
- Incentivises actions that are consistent with policy intent
- Achievement demands cross-agency work
Responsive (and attributable) to interventions
Data is available and robust
Easily understood in the public domain.

8 Current Result descriptions, targets and measures are provided in Annex 1.

**Result 1: Reducing long-term welfare dependence**

9 The existing Result 1 target was agreed by Cabinet before adoption of an investment approach, the implementation of the actuarial valuations of the benefit system, and the welfare reform policy changes of July 2013. The current target only includes 16% of the cost of clients at risk of long-term benefit dependence (as measured by the valuation).

10 This paper includes two options for expanding the Result 1 target to significantly increase the share of clients covered by the target and strengthen the alignment of Result 1 with the investment approach. The expanded targets would represent a significant stretch for Work and Income.

*Option one*

11 Expand the target to: Reduce the number of people continuously receiving Jobseeker Support for more than 12 months, or Sole Parent Support for more than 12 months, by 30%, from 150,000 in April 2012 to 103,000 by June 2017.

12 This target covers 65% of the cost of clients at risk of long-term benefit dependence (as measured by the valuation) and incorporates a reduction in:

- the number of long-term Jobseeker Support (JSS) clients (receiving JSS for over 12 months) from 78,000 at April 2012 to 55,000 at June 2017 (a reduction of 30%, the current BPS target)
- the number of long-term Sole Parent Support (SPS) clients (receiving SPS for over 12 months) from 12,000 at April 2012 to 48,000 at June 2017 (a reduction of 33%), and
- the percentage of people returning to the benefit system within 12 months of exiting (Recent Exits) by 10%.

11 Sole parents on benefit were identified by the Welfare Working Group as making up almost 30% of long-term beneficiaries. This group also has the highest average lifetime cost ($212,000) across the main benefit categories and is four times more likely than other family types to suffer long-term material deprivation.

12 Experience over the past two years has shown that SPS clients are amenable to case management and other employment services and the Ministry of Social Development has made good progress in this area. Explicitly including this group in the target is likely to cement these gains and support continued performance.
Achieving this expanded target is estimated to result in a further $2.4bn reduction in the long-term valuation. This equates to fiscal savings of $350m over three years. The extent to which fiscal forecasts reflect these estimated savings will depend on the level of evidence that exists regarding the savings at the time forecasts are prepared.

**Option two (the preferred option)**

Option two further extends the target across all main benefit types including those on Supported Living Payment (SLP). This covers 100% of the cost of clients at risk of long-term benefit dependence (as measured by the valuation), including groups who do not have work obligations.

The expanded target would be to: *Reduce the number of people receiving a main benefit by 20% from 321,000 in April 2012 to 256,000, by June 2017.*

SLP clients have high average liabilities ($169,000). Work and Income has not traditionally focused on this group as SLP clients do not have work obligations. Achieving this expanded target is estimated to result in a $2.9bn reduction in the long-term valuation. This equates to fiscal savings of $410m over three years. The extent to which fiscal forecasts reflect these estimated savings will depend on the level of evidence that exists regarding the savings at the time forecasts are prepared.

**Implications of an expanded Result 1 target**

Any expansion of the Result 1 target is likely to have financial implications. These will depend on how the new target is defined, the time frame over which it is set and the operational response. This is discussed further in the fiscal implications section of this paper. Making progress with these high needs, high cost groups will also necessitate more effective delivery of support and services across government agencies. In particular, working with SLP clients will require greater interaction and alignment between the social welfare and health sectors.

**Result 2: Increase participation in early childhood education**

We recommend retaining the current target and measure, and reviewing it once the new Early Learning Information System (ELI) is embedded, in 2016.

Research indicates that sustained participation in quality early childhood education (ECE) has a positive impact on social and educational outcomes, particularly for vulnerable children. The regulatory system (licensing or certification) provides some assurance of quality, as does the regular review of licensed ECE services by the Education Review Office.

The existing measure for this result is based on a survey of parents conducted when their children start school. It is the best information about participation that we currently have, but it has acknowledged limitations:
- It does not discriminate between licensed and certificated providers, or between occasional and sustained participation;
- There is a risk of parents over-reporting their children’s participation in ECE.

21 2016 is the target year for achieving 98% attendance in quality ECE by children starting school. In that same year, ELI will become fully operational, and will provide better data on actual participation and patterns of attendance. This will provide an opportunity to address the limitations of the current measure, as part of the development of any new target and measure. Aligning the ELI data with Education Review Office information will also be considered at that stage. It should be noted that the more accurate ELI data is likely to show a lower participation rate than that generated from the current measure.

22 We propose to continue to publicly report the ECE participation rate of Māori children, Pasifika children, and children from low socio-economic communities, as increasing participation by these children is crucial to reaching the 98% target. These indicators will also continue to be used in the assessment of progress towards the target.

**Result 3: Increase infant immunisation and reduce rheumatic fever**

23 No change is proposed to either the targets or measures for Result 3 at this stage. The Minister of Health is in the early stages of reviewing health targets, and BPS targets may be considered during this review.

24 Officials inform us that the focus on rheumatic fever has prompted cross agency action, particularly with regard to housing, and is achieving gains in related areas, for both health and social outcomes.

25 By focusing on rheumatic fever, other poverty-related health conditions are brought to light and treated or addressed. These include skin conditions and respiratory infections. Poor oral health is another indicator with strong links to poverty. The Ministry of Health will provide further advice on other poverty-related child health indicators in the context of the child poverty programme, in conjunction with the Ministry of Social Development and Treasury.

**Result 4: Reduce assaults on children**

26 The Result 4 target provides considerable stretch and is focusing work in programmes such as family violence and children’s teams. We do not propose to change the target or measure.

**Result 5: Increase the proportion of 18 year olds with NCEA Level 2**

27 The NCEA 2 target is expected to be achieved by 2017. Achieving the target depends on performance not just for the total group but for population groups, specifically Pasifika and Māori young people. These two groups will receive
dedicated attention through existing investments that focus on sustainability and new approaches to achieve significant lift. While achievement of the 85% target for the total population will remain as the key indicator, information will continue to be provided in the BPS Results six-monthly reports on progress in terms of achievement, retention and transitions by ethnicity, gender, and school decile, as well as the total group. This information will continue to be used in assessing progress towards the target.

**Result 6: Increase the proportion of 25-34 year olds with NZQF Level 4 or above**

28 We are on track to meet the initial Result 6 target (55% of those aged 25–34 will have a qualification at NZQF Level 4 or above) before 2017 - the annual average to September 2014 is 54.7%, which is almost at the target. We seek Cabinet endorsement of an increase in the target to 60% of those aged 25–34 having a qualification at Level 4 or above, and to extend the year of target achievement to 2018. The new target (but not the change in the target year) was publicly signalled prior to the election.

29 The strong progress towards the current target has been due to increasing completion rates of Level 4 or higher qualifications by young people, and current positive net migration rates of those aged 25–34. However, future migration trends, and their potential to change quickly, create some uncertainty around meeting the higher target.

30 Part of the progress towards the current target is also a result of improvements in the accuracy of the measure of Result 6 (qualification attainment data from the HLFS), due to an update of the survey qualification categories in June 2013, to reflect the current qualifications framework.

31 It is proposed to measure the Result 6 target as a rolling annual average, rather than using the year to December, to ensure reporting includes the most recent data.

32 Within future reporting on Result 6, the Ministry of Education will look to include more contextual information on the links between qualifications being completed within the tertiary education system and labour market needs. This aligns with the Tertiary Education Strategy 2014–19 priority of delivering skills for industry.

**Result 7: Reduce the rates of total crime, violent crime and youth crime**

**Total crime and violent crime**

33 A 17% reduction in total crime was achieved at June 2014, exceeding the 15% target for 2017. The target has galvanised collective effort, problem solving, and resource alignment across the sector. We recommend increasing the target from 15% to a 20% reduction in total crime, as announced prior to the election, to ensure continued challenge for the agencies involved, without compromising efforts to achieve the more
challenging violent crime and reoffending targets. As for Result 6, we also propose to extend the year for target achievement from 2017 to 2018.

34 Achieving the target has enabled the sector to reorient emphasis from reducing total crime to reducing more difficult and harmful crime such as violence and sexual offending. The justice sector and central agencies are currently considering how harm reduction can be more prominent in the justice sector results (instead of the current volume targets), and this will inform any future consideration of the crime targets.

Youth crime

35 Crime is not recorded by age, so a 'youth crime rate' has to be a proxy. The Result 7 youth crime measure is the annual rate of 14–16 year olds appearing in Youth Court. This was established as an interim measure in 2012, with an initial target of a 5% reduction. The target was met and re-set to 25% in mid 2013, and the new target has now been exceeded. As at June 2014, a 33% reduction had been achieved.

36 Last year, consideration was given to changing the basis for the measure and using a proxy measure such as 'recorded crime likely to be due to youth'. Such a measure, while potentially giving a more accurate picture of youth crime, would require some level of estimation and is not as straightforward as the current measure, thus making the measure more difficult to communicate and providing less certain system incentives. Ministers decided on balance to retain the original measure, but increase the target.

37 It was noted at the time that the Key Performance Indicators (KPIs) that are being developed for the Youth Crime Action Plan (YCAP) could usefully supplement the youth measure. The YCAP KPIs are expected to be publicly reported from late 2015 or early 2016, at which time they could be considered for incorporation into the BPS Results reporting dashboard to provide a more complete picture of youth crime and the performance of the youth justice system.

38 Meanwhile, we propose to retain the current youth crime measure, but also report youth apprehension data. This would maintain continuity in Result 7 reporting, reinforce the YCAP-BPS relationship, and set the headline Result 7 measure within the context of the broader youth system. Youth apprehension data would also be used as part of the assessment of progress.

39 We do not propose to reset the youth crime target at this time, given the need to consolidate and sustain the significant progress to date. It is also important that the sector places greater focus on reducing the most challenging areas of reoffending and violent crime.

Result 8: Reduce reoffending

40 The Result 8 target is to reduce the reoffending rate by 25% by June 2017. The measure used is a 'composite reoffending rate' - a composite of the annual rate of released prisoners who are re-imprisoned within 12 months of
their release and the annual rate of offenders with a community sentence who are re-convicted within 12 months of sentence commencement.

41 The sector is almost halfway to reaching the composite target, having achieved a 12.1% reduction in reoffending at June 2014. Both components have seen decreases, with re-imprisonments reduced by 4.4% and re-convictions reduced by 13.2%.

42 We propose to retain the reoffending target and the composite measure used to assess progress. Reducing reoffending will be a particular challenge and a key focus area for the sector in the period to 2017.

43 There has been some public comment that the reoffending measure is difficult to understand. The sector will continue work with stakeholders to clarify what is being measured.

44 There has also been consideration of whether measures and reporting on reoffending rates for high-risk individuals and youth would drive greater focus on the more difficult cases. Targeting higher-risk offenders is already a core principle of the Department of Corrections’ approach to reducing reoffending, and there is little scope to drive greater focus on this. With respect to young prisoners, the number of offenders under the age of 20 managed by the Department of Corrections has been falling steadily for some years, and is not a useful focus.

Result 9: Better public services for business

45 The targets of reducing business costs (or effort) of interacting with government by 25%, and public services performing at a similar level to leading private sector firms, by 2017, are challenging and ambitious. New Zealand already rates as one of the best countries in the world for ease of doing business.

46 The only way to give effect to these all-of-government targets is to fundamentally transform the way in which government currently interacts with business. While substantial service improvements will be realised as major agency transformation programmes are delivered, these in isolation will be insufficient to reach the targets.

47 In July 2014, Cabinet supported the Result 9 approach of developing four core capabilities to support a business customer-focussed future state, as outlined in the Result 9 Blueprint to 2023 and the Roadmap to 2017 [SEC Min (14) 12/2]. The Result 9 focus is on enabling and delivering integrated services that are designed with and for business to support business growth. This includes joint development of enablers, such as the New Zealand Business Number. Digital technology is being used to simplify access to information and services and reduce unnecessary duplication and compliance effort.
The Result 9 headline targets are fit for purpose - they are ambitious, require enhanced collaboration across government, and focus on the desired outcome (that business finds it easier to interact with government). The targets help focus actions on the paradigm shift across the public sector to put the customer at the centre of service delivery to business.

The measure of the achievement of the headline target is based on a survey of the perceived costs of dealing with government. However, firms tend to “bank” the gains from improved service, so that expectations increase as services improve. Consequently, the measure may not provide a good sense of progress towards making business interaction with government easier. Moreover, as changes are made, there is a transition period where the perception of costs of dealing with government may increase. This, together with the time it takes to improve cross-agency work, means that judgement of progress towards the headline targets may stay on amber for some time.

We therefore propose to supplement the current “lag” indicators with “lead” indicators that give a more granular view of progress. The proposed new indicators are:

- service utilisation – measuring uptake and use of digital services
- service performance – measuring service outcomes for customers, in particular the number of contacts required to resolve an issue
- service satisfaction – measuring satisfaction with customer service.

The additional indicators would be reported to Cabinet publicly, and would support the judgement of progress towards the target. The combination of perceptions of business customers and administrative data on service uptake and performance will provide a much richer evidence base for measuring progress.

An example of how one of these indicators may be shown is provided in Annex 3.

**Result 10: New Zealanders can complete their transactions with government easily in a digital environment**

In July 2014, the BPS Result 10 Blueprint – Improving New Zealanders’ Interactions with Government [SEC Mn (14) 12/3], was approved by Cabinet as the All of Government strategy for digital service delivery.

The Blueprint represents a fundamental shift in the way citizen-facing services are designed and delivered today - from discrete transactions that reflect the way that individual agencies are organised, to services that integrate services, products and functions across agency and sector boundaries and are co-designed around citizen life-events.

The focus on customers at the centre of future integrated service design and delivery will require new incentives, forms of governance and prioritisation for agencies working together for common customers. It also relies on the
consistent uptake of common capabilities, such as *RealMe*, to support ease of access to government, digitally, which is secure and privacy-protected.

56 The current target for Result 10 and the way it is measured focus on transactions with individual agencies rather than on an ongoing customer relationship with government. Result 10 customer research indicates the need to move away from delivering services in agency silos to reflect the way New Zealanders live their lives, through important life-events and transitions.

57 For example, there is a common suite of services and government interactions following the birth of a child. This includes health provision, birth registration, IR number acquisition and family taxation or social development entitlements. An integrated digital service requires the relevant agencies to support people’s access, use and reuse of their own – or their child’s – life information to establish identity and receive entitlements. This could be done through a single digital interaction rather than several transactions with multiple agencies, often made in person. Other examples include starting school, or transitioning out of secondary education and into employment or tertiary study.

58 The current target is based on a measure of digital uptake across a ‘basket’ of ten commonly-used service transactions. It emphasises the volume of transactions with individual agencies, not the quality or ease of the customer experience overall. In addition to the existing measure, indicators of improved quality of the customer experience across their enduring relationship with government are needed.

59 We therefore propose Ministers develop new measures to reflect the desire to create integrated services designed and delivered around an enduring digital relationship with government, from birth. As a first step we propose Ministers add a measure of the ease of digital transactions with government, using data collected by the existing *Kiwis Count* survey run by the State Services Commission. The measure would be reported in graph form and data tracked back to the June 2013 quarter for comparative purposes. This can be reported as an aggregate of the ‘basket’ of transactions, or as individual transactions. A graph showing this measure using aggregated data is included in Annex 3. This information will also be used to assess progress towards the target.

60 The next step will be to develop further options for measurement and reporting that more comprehensively reflect the customer’s digital experience. This will support Action 5 of the Result 10 Blueprint: to deliver integrated digital services and adopt *RealMe* as a key enabler for service integration.

61 The June 2015 BPS Results progress report will show how customers are taking up the opportunities that are becoming available through integrated service delivery, and how agencies are contributing to these services. The report will assess the extent to which new service offerings place the customer at the centre of service design and delivery and bring together the
right agencies and their services around particular customer segments and life events, for example, the birth of a child.

62 To achieve greater focus on the digital customer experience, Result 10 will need to work closely with Result 9, recognising that people involved in the small business environment overlap with the Result 10 focus on an individual's relationship with government in the digital environment. Changes to governance at both agency and Ministerial level would be required to oversee the shift to integrated services involving multiple agencies across Results 9 and 10. Existing governance arrangements for Result 10 will also be reviewed to better support integrated services involving multiple agencies.

When and how the changes will be made

63 The changes to targets and measures proposed in this paper will be reported in the next six-monthly BPS Results progress report to Cabinet planned for February 2015. The information provided on the State Services Commission website will be updated at the same time.

64 We recommend that this paper is publicly released at the same time as the BPS Results progress report in February 2015.

Consultation

65 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.

66 The Ministry of Social Development's view is that if Cabinet agrees to provide the necessary funding (likely to be sought through Budget 2015) to achieve an expanded and increased Result 1 target, then they would be comfortable with the preferred option (option 2). The Ministry of Health would like to remain closely involved with this work as it progresses. There are likely to be implications for the Ministry of Health with regard to people with disabilities and people with dependence on alcohol and other drugs.

Financial Implications

67 Any expansion of the Result 1 target is likely to have financial implications. These will depend on how the new target is defined, the time frame over which it is set and the operational response. Agreeing a stretch target like this will require the government to fundamentally change the way it operates. If a decision is made to expand the Result 1 target, officials from the Treasury and the Ministry of Social Development along with the Ministry of Health, the Ministry of Education and the Accident Compensation Corporation (ACC) will report back to the State Sector Reform Ministers in February 2015 on options for meeting the target and associated fiscal implications.
Option one for refreshing Result 1 is estimated to reduce the actuarial valuation of the benefit system by $2.4b (on top of PREFU) and provide additional fiscal savings of $570m (on top of PREFU) over four years. Option two (the preferred option) is estimated to reduce the actuarial valuation of the benefit system by $2.9b (on top of PREFU) and provide additional fiscal savings of $670m (on top of PREFU) over four years. The extent to which any fiscal savings can be incorporated into fiscal forecasts depends on the sufficiency of evidence that savings will be realised. The approaches for supporting SLP clients into work needed to deliver the preferred option for an expanded Result 1 target are relatively untested. The evidence for the effectiveness of these approaches is unlikely to be sufficient to reflect these estimated savings in the fiscal forecasts at this time.

The expansion of Result 1 is likely to lead to a fundamental change in the scale and nature of services provided. As noted above, officials will be reporting back on alternative models for achieving the expanded target, with associated financial implications.

One way of managing the potential fiscal cost of an expanded target would be to extend the time horizon of the refreshed target, as it will take time to develop successful strategies for working with SLP clients who are likely to require ‘stair-casing’ towards employment, meaning employment outcomes take longer than for JSS or SPS clients.

There are no financial implications from proposed changes to targets and measures for other Results.

**Human Rights**

This work has no human rights implications.

**Legislative Implications**

There are no legislative implications.

**Regulatory Impact Analysis**

Regulatory impact analysis requirements do not apply.

**Gender Implications**
This work has no gender implications.

Disability Perspective

The Office for Disability Issues has been consulted on proposals for expanding Result 1. Disabled people want to have an equal opportunity to work, and have identified employment as a priority for action by government agencies. It is one of the shared result areas in the Disability Action Plan 2014-2018 – Increase employment and economic opportunities. The nature of success for disabled people in work will vary depending on the nature of a disabled person’s skills, qualifications, experiences and their impairment. Any increase in obligations to find work for disabled people receiving the JSS or the SLP will require the right investment and sometimes ongoing support. There will also need to be recognition that for some disabled people, part-time work may be the best outcome and that there will always need to be some type of top up government support.

Publicity

Changes to the Result targets and measures will be publicly communicated in February 2015 as part of the Government’s six-monthly progress report on BPS Results.

Recommendations

It is recommended that the Committee:

1 note that the BPS Result targets and measures agreed by Cabinet in June 2012 have been effective in driving a focus on achievable outcomes, but some adjustments are now needed to ensure continued stretch and alignment with policy objectives

Reducing long-term welfare dependence

2 note that the Result 1 target was agreed by Cabinet before adoption of an investment approach, the implementation of the actuarial valuations of the benefit system, and the welfare reform policy changes of July 2013. The current target only includes 16% of the cost of clients at risk of long term benefit dependency (as measured by the valuation)

3 agree to expand the Result 1 target to:

   EITHER: Reduce the number of people continuously receiving Jobseeker Support for more than 12 months or Sole Parent Support for more than 12 months by 30%, from 150,000 in April 2012 to 103,000 by June 2017; to cover 65% of the cost of clients at risk of long-term benefit dependency (as measured by the valuation)

   OR: (preferred option) Reduce the number of people receiving a main benefit by 20% from 321,000 in April 2012 to 256,000, by June 2017; to
cover 100% of the cost of clients at risk of long-term benefit dependency (as measured by the valuation)

4 note that any expansion of the Result 1 target is likely to have financial implications. These will depend on how the new target is defined, the time frame over which it is set and the operational response. If a decision is made to expand the Result 1 target, officials from the Treasury and the Ministry of Social Development along with the Ministry of Health, the Ministry of Education and the Accident Compensation Corporation will report back to the State Sector Reform Ministers in February 2015 on options for meeting the target and associated fiscal implications

5 note that making progress with these high needs, high cost groups will also necessitate more effective delivery of support across government agencies. In particular, working with SLP clients will require greater interaction with the Health system

Vulnerable children

6 agree that the current Result 2 target and measure for increasing early childhood education participation is retained

7 note that the introduction of the Early Learning Information System from 2016 will provide an opportunity to develop a new target and measure for Result 2, based on better data on actual participation and patterns of attendance at that stage

8 note that the current targets and measures for rheumatic fever and child immunisation in Result 3 are unchanged at this stage, but that the Ministry of Health will provide further advice on other poverty-related child health indicators in the context of the child poverty programme, in conjunction with the Ministry of Social Development and Treasury

9 note that no change is proposed to the target or measure for Result 4, Reduce assaults on children

Boosting skills and employment

10 note that achievement of the 95% target of 18 year olds achieving NCEA Level 2 will remain as the key indicator of progress for Result 5, and information on progress by ethnic, gender, and school decile groups will continue to be included in the BPS Results six-monthly reports

11 agree to increase the Result 6 target from 55% to 60% of those aged 25-34 having a qualification at Level 4 or above by 2018, and to measure the target on the basis of a rolling annual average, rather than using the year to December, to ensure reporting includes the most recent data
12 note the Ministry of Education will report more contextual information for Result 6 on the links between qualifications being completed within the tertiary education system and labour market needs, in accordance with the Government’s priority to deliver skills for industry in the Tertiary Education Strategy 2014–19

Reducing crime

13 agree to increase the Result 7 target for a reduction in total crime from 15% to 20% by 2018

14 note that the justice sector and central agencies are currently considering how harm reduction can be made more prominent in the justice sector results, instead of the current volume targets, and this will inform any future consideration of the crime targets

15 agree to retain the current youth crime target and measure for Result 7 but also report youth apprehension data, and in future incorporate the Youth Crime Action Plan Key Performance Indicators into the Results reporting dashboard to provide a more complete picture of youth crime and the performance of the youth justice system

16 agree to retain the reoffending target and the composite measure used to assess progress in Result 8, and continue work with stakeholders to clarify what is being measured

Improving interaction with government

17 note that the only way to give effect to the challenging all-of-government targets for Result 9 is to fundamentally transform the way in which government currently interacts with business, as outlined in the Result 9 Blueprint

18 agree to retain the current targets and measures for Result 9, but add lead indicators for service utilisation, performance and satisfaction to give a more granular view of progress

19 note the fundamental shift in the service design and delivery of citizen-facing services implied by the Result 10 Blueprint; and that the existing Result target and measures, while useful, are limited to assessing progress within the current model of non-integrated services

20 agree to retain the existing target and measure for Result 10, but add an additional measure of the ease of digital transactions with government, using data collected by the existing Kiwis Count survey run by the State Services Commission

21 note that over the next six months, further options will be developed for Result 10 for measures that can more comprehensively reflect the customer’s on-line experience, in particular to assess the effectiveness
of cross-agency initiatives by highlighting the citizen's journey when interacting with government

Public communication of BPS Results

22 agree to release this paper at the same time as the next BPS Results progress report planned for February 2015

Hon Bill English
Deputy Prime Minister

Hon Paula Bennett
Minister of State Services

Date: ___/___/___

Date: ___/___/___
Annex 1: Existing BPS Result descriptions, targets and measures

<table>
<thead>
<tr>
<th>Result</th>
<th>Target</th>
<th>Result area</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Reducing long-term welfare dependence</td>
<td>Reduce the number of people continuously receiving working-age Jobseeker Support benefits, for more than 12 months, by 30%</td>
</tr>
<tr>
<td>2</td>
<td>Increase participation in Early Childhood Education</td>
<td>98% of children starting school will have participated in quality ECE by 2016</td>
</tr>
<tr>
<td>3</td>
<td>Increase infant immunisation and reduce rheumatic fever</td>
<td>95% of eight-month olds fully immunised by 2014, maintained through to 2017. Reduce the incidence of rheumatic fever by two thirds, to 1.4 cases per 100,000 people</td>
</tr>
<tr>
<td>4</td>
<td>Reduce assaults on children</td>
<td>The 10 year rise in children experiencing physical abuse will be halted and current numbers reduced by 5%</td>
</tr>
<tr>
<td>5</td>
<td>Increase proportion of 18 year olds with NCEA L2</td>
<td>85% of 18 year olds will have achieved NCEA level 2 or an equivalent qualification</td>
</tr>
<tr>
<td>6</td>
<td>Increase proportion of 25-34 year olds with NZQF L4 or above</td>
<td>55% of 25 to 34 year olds will have a qualification at level 4 or above</td>
</tr>
<tr>
<td>7</td>
<td>Reduce the rates of total crime, violent crime and youth crime</td>
<td>Reduce the crime rate by 15%; the violent crime rate by 20%; &amp; the youth crime rate by 25%</td>
</tr>
<tr>
<td>8</td>
<td>Reduce reoffending</td>
<td>Reduce the reoffending rate by 25%</td>
</tr>
<tr>
<td>9</td>
<td>NZ businesses have a one-stop online shop for all government advice &amp; support</td>
<td>Business costs from dealing with government will reduce by 25% Government services to businesses will have similar key performance ratings to private sector firms</td>
</tr>
<tr>
<td>10</td>
<td>NZers can complete their transactions with government easily in a digital environment</td>
<td>An average of 70% of most common transactions with government completed in a digital environment</td>
</tr>
</tbody>
</table>
Annex 2: BPS Results reporting – Criteria for rating forecast target achievement

<table>
<thead>
<tr>
<th>Green</th>
<th>On track</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>The lead indicator data are reliable and at, or ahead of, the trend-line forecast to meet the target over at least the previous two quarters</td>
</tr>
<tr>
<td>2</td>
<td>All other significant indicator data provide confidence that the target will be met</td>
</tr>
<tr>
<td>3</td>
<td>Actions taken to reach the target are embedded and there are indications that these actions are successful</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Yellow</th>
<th>On track, but changes not yet embedded</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>The lead indicator data are at, or ahead of, the trend-line forecast to meet the target over at least the previous quarter</td>
</tr>
<tr>
<td>2</td>
<td>Other indicator data provide some confidence about target achievement</td>
</tr>
<tr>
<td>3</td>
<td>Planning for actions needed to reach the target is advanced and funding has been committed. Significant action has already been taken, but it is too early to determine success</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Amber</th>
<th>Progress, but issues to resolve</th>
</tr>
</thead>
</table>
| 1     | The lead indicator data are either:  
|       | - Not yet showing a trend; or  
|       | - Unreliable/volatile; or  
|       | - Below the trend line forecast to meet the target |
| 2     | Other indicator data do not yet provide confidence that the target will be met |
| 3     | Actions have been planned to reach the target, and some actions are underway, but these are insufficient to reach the target. Significant issues to resolve, particularly around sustainable funding and joint agreement to action. |

<table>
<thead>
<tr>
<th>Red</th>
<th>Urgent attention required</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>The lead indicator data are either unavailable or below the trend line forecast to meet the target</td>
</tr>
<tr>
<td>2</td>
<td>Other indicator data do not provide confidence that the target will be met</td>
</tr>
<tr>
<td>3</td>
<td>External intervention is needed to resolve issues</td>
</tr>
</tbody>
</table>

**Note:** Criteria 1 & 2 are based on indicator data that show progress towards the target. Criterion 3 is based on the maturity of actions taken to achieve sustainable progress. All three criteria should be met for the rating to apply.
Annex 3: Sample measures for use in BPS Result progress reports

Result 9 example:

How many times a customer has to contact an agency to achieve resolution

Result 10 example:

Ease in completing transactions digitally

Since the beginning of 2013, Kiwis Count has asked New Zealanders about their ease of transacting digitally with government.

In June 2014, 66% perceived it was easy to transact with government digitally overall (ie rated it as a 4 or 5 on a scale where 1 is very difficult and 5 is very easy when asked "How easy is it for you to complete your transactions with government in a digital environment?"). This is a two percentage point increase since June 2013.

New Zealanders' actual experience of digitally transacting with the services in the R10 basket is better than their overall perception. When asked about this, 77% of New Zealanders rated it as easy in June 2014. This is a three percentage point increase since June 2013.