



**MINISTRY OF SOCIAL
DEVELOPMENT**
TE MANATŪ WHAKAHIATO ORA

12 January 2024

Tēnā koe

Official Information Act request

Thank you for your email of 27 November 2023, requesting information about Work Brokers and job referrals, specifically relating to Phone Plus 2000.

I have considered your request under the Official Information Act 1982 (the Act). Please find my response to each part of your request below.

How are Work Brokers (people who are assigned to Job seekers to "help" them find work) incentivised, have their performance measured/evaluated/ and rewarded - in relation to their job placement role?

The Ministry of Social Development (the Ministry) does not incentivise or pay bonuses to staff in recognition of performance.

The Ministry has a capability and development approach to performance which is called Te ara piki (the pathway ahead). This allows staff, including Work Brokers, to own their own development and to align their aspirations and strengths with the purpose and direction of the Ministry. Staff, with their managers, set work-based goals and aspirations, and are regularly coached and supported to develop, achieve, and continuously learn. Goals are typically refreshed every three months, and staff regularly share their progress and achievements with their manager.

I refer you to **Appendix One** providing an excerpt of the Service Delivery Collective Agreement, 3 April 2023 – 2 April 2025, detailing remuneration and the capability and development approach.

What policies, guidelines and other direction is provided about their role - in relation to the suitability of the job referral/ placement?

What criteria re job suitability / match with the skills, abilities and experience of the job seeker are applied?

The employment journey for each client is tailored to their individual needs. Work Brokers will consider the client's employment history, skills, and training against the opportunities available in their area and will have a discussion with the client when referring to job opportunities.

Clients with work obligations are required to take reasonable steps to obtain employment including being available for suitable opportunities that arise.

I refer you to the following link on the Work and Income website that provides information on suitable employment, including criteria to help staff decide whether a job is suitable for a client:

- www.workandincome.govt.nz/map/income-support/main-benefits/jobseeker-support/suitable-employment-01.html

Please note that job referrals are on a case-by-case basis and dependent on a client's individual circumstances. Clients can decline work opportunities presented to them without triggering an obligations failure if they can demonstrate they are not suitable.

I also refer you to the following links on the Work and Income website:

- Work obligations: www.workandincome.govt.nz/map/income-support/main-benefits/jobseeker-support/work-obligations-01.html
- Work preparation obligations: www.workandincome.govt.nz/map/income-support/main-benefits/jobseeker-support/work-preparation-obligations-01.html

What is MSD's formal relationship with the company Phone Plus 2000 (in relation to them being employer of job seekers).

Are they paid to take job-seekers?

The Ministry does not have a formal contractual relationship with the company Phone Plus 2000. Phone Plus 2000 is considered an employer by the Ministry, and Workbrokers have in the past referred clients to employment opportunities listed on the Ministry Jobs Portal.

The Ministry does not pay Phone Plus 2000 to take job seekers. However, some of the clients referred previously have been placed into work under the flexi-wage scheme.

Flexi-wage provides a wage subsidy and extra assistance to support employers to take on people who do not meet the entry level requirements of the job. This helps people get the employment skills and experience they need to get into, and stay in, unsubsidised employment. Please refer to the following Work and Income page for more information:

- www.workandincome.govt.nz/employers/subsidies-training-and-other-help/flexi-wage.html

What is/was MSD's assessment of the legality and suitability of Phone Plus 2000's Employment Agreement clause requiring employees to agree to be available for work 24/7 (i.e any day and anytime)?

The advertised vacancies were based on the job descriptions given to the Ministry by Phone Plus 2000's Human Resources Manager. The Human Resources Manager would have explained to the candidates what the jobs entailed, and candidates are advised to read the contract terms and conditions before signing.

What are the rules/criteria/ guidelines for suspending the income support of job seekers who do not wish to work for an organisation - as they apply to Phone Plus 2000 (i.e making 'cold' phone calls to people who had not consented to be called)?

Jobseeker obligations are defined as part of the client-case manager relationship. Staff engage with clients to ensure they are meeting work obligations as part of regular engagements. The evidence required will vary depending on the individual circumstances and the client's plan to move towards employment.

Where someone ends employment and applies to return to benefit, the Ministry will review the circumstances around the decision to end employment to determine if a 13-week non-entitlement period is appropriate.

If clients present valid reasons, the non-entitlement period will not be imposed. You can read more about this here:

- www.workandincome.govt.nz/map/income-support/main-benefits/jobseeker-support/non-entitlement-period-for-13-weeks.html
- www.workandincome.govt.nz/map/income-support/main-benefits/jobseeker-support/deciding-non-entitlement-period-for-voluntary-unem-01.html

An obligation failure is initiated if a client fails to comply with their agreed obligations. All clients have a five working day notice period to dispute or recommit before a sanction is imposed.

You may be interested in the following Work and Income link that provides more information about obligations:

- www.workandincome.govt.nz/on-a-benefit/obligations/not-meeting-your-obligations.html

For clients in receipt of the Flexi-wage subsidy, the contract will end if the client leaves employment.

How many job seekers in the past 12 months have been penalised (and in what ways) for refusing to work/ continue to work for Phone Plus 2000?

13 work obligation failures related to Phone Plus were initiated in the last 12 months. Reasons for the obligations failures included the client being

uncontactable after agreeing to be referred for the vacancy; refusing to attend a job interview after agreeing to be referred to the vacancy; and turning down an offer of full-time employment without providing sufficient reason.

One further work obligation failure was initiated but it did not take any effect as the client was not on a benefit.

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

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

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

Ngā mihi nui

pp.



Magnus O'Neill
General Manager
Ministerial and Executive Service

5. Remuneration

5.1 Introduction

The purpose of this section is to describe the principles and objectives for remuneration in MSD. Further information about related processes, procedures and positions in each band is provided on MSD's intranet. The current bands are recorded in Section 18.1 MSD Bands and Salary Ranges. This section will be updated to reflect any outcomes from collective bargaining including changes to the bands and salary ranges through the term of the collective agreement.

The premium band ranges outlined in Section 18.2 are outside scope of the normal collective bargaining process and retain their own pay range review process and cycle.

MSD is committed to a fair pay approach and the guidelines for setting fair pay levels are set out on MSD's intranet under "Our Fair Pay approach".

5.2 Guiding principles

The guiding principles for MSD's remuneration and progression framework are:

- Simple, flexible and transparent
- Affordable, evidence-based and consistent
- Supports the direction of the organisation
- Encourages fair recognition of our people

The framework comprises eight core bands and salary ranges. Premium salary ranges may be applied where it can be clearly demonstrated these are required and they will be reviewed annually to ensure they continue to be required.

Within each salary range, the design provides four zones and 13 set steps with step 5 called the "anchor point". The anchor point is informed by government expectations, market information, fiscal envelope and remuneration guiding principles and is subject to bargaining.

5.3 Annual salary progression

Progression through the steps occurs annually on 1 October. Progression is assumed where the employee engages with and participates in Te ara piki.

Progression can be paused where there are identified performance concerns which have been communicated in writing including a proposed path forward to address the concerns. Progression is applied once the identified performance concerns are addressed. On-going engagement between the employee and the manager should ensure there are no surprises when performance concerns are raised. Progression will also be paused when an employee does not participate in Te ara piki.

To clarify, employees will receive a pay progression unless they:

- are at or above the top of the salary range for their band

- have been advised in writing that their progression is at risk because:
 - they are not performing at the required level
 - they have withdrawn from participating in Te ara piki, i.e.:
 - unwilling to discuss and agree on objectives and outcomes
 - do not have a development plan in place which is aligned to organisational and individual priorities
 - not engaging with their manager through ongoing conversations.
- have been in their role for less than three months during the review period (1 October to 30 September), whether it be:
 - as a new employee
 - after being on leave which interrupts service (e.g. unpaid general leave). Progression will be reviewed for eligibility upon their return
 - after appointment to a new role with an equivalent or greater salary increase than the upcoming progression step*.
- have received a salary increase within the preceding three months of the progression date, for any reason other than a salary range movement or a job-size change.

*it is expected that any salary increase within three months of the progression round will be made to a step where the salary is no less than the upcoming progression step.

5.4 Appointment to bands and salary ranges

Employees will be paid salaries in accordance with the bands and salary ranges for their positions. An employee will be advised of their individual salary in writing as part of an offer of employment. Employees will be advised of any changes in salary due to salary range increases resulting from bargaining or annual progression.

Where a role is placed in a different band and salary range following a job-size review, the translation approach for impacted employees will be discussed with the PSA.

6. Capability and Career Development Approach

MSD aims to encourage and provide employees with appropriate career development opportunities to assist them to reach their full potential and facilitate their job security by developing portable skills and attributes.

Employees and their manager should discuss career development opportunities during their regular conversations. This may include agreeing on the conditions and type of support provided by MSD.

Individual career development opportunities can be, but are not limited to:

- On-the-job learning opportunities and experiences;
- Internal training courses;
- External courses/conferences;
- Study assistance;
- Coaching, mentoring and buddying of others;
- Secondment, short term covering and support of others; and/or
- Achieving recognised qualifications.

Individual career development can also include, but is not limited to:

- Becoming a PSA delegate
- Being a Health and Safety Representative
- Participating in and contributing to employee networks and related events
- Learning a language or other skill not a requirement of my role.

Te ara piki supports employees to own and manage their own development and career, to grow and develop to meet their potential. It focuses on building the capabilities that helps employees to contribute and make an impact on MSD outcomes for clients and New Zealand citizens.

Te ara piki has the following key principles:

- aligns to and supports MSDs strategies, values and outcomes. There is a clear line of sight between MSD expectations and how we recognise contribution and develop employees
- provides a sustained, ongoing and continuous focus on capability and development. We recognise that most learning occurs on the job as part of our everyday work and that feedback, support and coaching will also occur in 'real time' and in the mahi
- integrated into the way managers and employees work together enabling employees to be more self-managing. This will be seamlessly incorporated into existing day to day activities
- connects the employees' contributions and achievements with the development of capability and career aspirations, with the intention of allowing all of our employees to achieve their potential
- easy to use, understandable and transparent. Accessible and well-designed resources are provided to all of those engaged in the approach
- people centred, strengths based and is centred around open communication within the workplace. It focuses on self-reliance, encouragement and makes employees feel valued and respected

- prioritised and supported. MSD investment in people aligns to our purpose, values and priorities, allowing employees to contribute in an effective and meaningful way.

To enable these principles to be met, Te ara piki has the following key operational features:

- employee led and manager supported. Employees own and lead the process, and managers will support employees to fulfil their agreed capability and development goals in an environment that is positive and supportive.
- financial commitment. Managers will ensure employees are given reasonable opportunity to develop and funding will not be unreasonably withheld.
- provide the opportunities and time. Managers will ensure employees have access to learning opportunities and experience and have agreed time during working hours to participate and engage in their development and career aspirations.
- access to training and development options. Managers will ensure employees have equal opportunities to access training and development options whether that be learning on the job and development experiences, secondments, internal or external training, other informal developmental opportunities, etc.
- prioritise development. Managers will prioritise employees developing their capability and in the exceptional circumstance where training is deferred due to workload or business demand will reschedule the training at the earliest opportunity.

Further information of the processes and procedures of Te ara piki is provided on MSD's intranet.