

Employment Services – Investing in Frontline Staff and Employment Programmes

Initiative Sponsors:

Ministry of Social Development (MSD)

The Ministry of Social Development (MSD) will maintain critical employment spending for the next two years, to help get more people into work and make progress towards the Jobseeker Reduction Target. Time limited funding of \$343.300 million has been allocated using the joint Treasury and MSD invest-to-save framework and net savings of \$147.255 million are forecast.

The funding continues Kōrero Mahi Seminars and 490 time-limited frontline staff who are delivering case management services to clients. This support will continue to help clients prepare for work and apply for jobs.

Within the 490 time-limited staff, staff will provide the Early Response Redeployment Service. This is for people affected by business closures, connecting them with other jobs and hiring businesses to prevent the need to come on a benefit.

Funding has also been allocated for expanding Community Job Coaching for two years for up to 6,000 clients. It will provide them with coaching, an assessment of their needs, an individual plan and being held accountable for achieving that plan. These clients will be eligible for bonus payments if they remain off-benefit for 12 months.

Included in the funding allocation is two years of Flexi-wage subsidies for people who need extra support and upskilling to get a job. There are also health programmes that integrate health and employment services for people with health conditions including disabilities. Additionally, there are regional employment programmes offering upskilling and job placements, delivered locally to meet the needs of businesses and MSD clients.

Financial Impact:

The impacts each year are set out in the tables below:

Vote Social Development Opex:

(\$m)	2024/25	2025/26	2026/27	2027/28	2028/29 & outyears	Total
Costs	-	148.271	177.629	17.400	-	343.300
Gross savings	-	(35.964)	(126.465)	(174.880)	(153.246)	(490.555)
Total net	-	112.307	51.164	(157.480)	(153.246)	(147.255)

Vote Social Development Capex:

(\$m)	2024/25	2025/26	2026/27	2027/28	2028/29 & outyears	Total
Total	-	2.104	0.406	-	-	2.510

How have the forecasted savings been determined?

Forecasted savings have been generated from MSD's joint invest-to-save framework with the Treasury. They're evidence-based from MSD's previous case management and employment programme evaluations.

How many clients will this funding support?

Maintaining current levels of case management will allow MSD to continue its dedicated employment case management service which currently services 70,000 clients at any point in time. Community Job Coaches will support 4,000 clients in year one and 6,000 in year two while employment programme funding is anticipated to support 22,000 clients across two years.