

Ministry of Social Development

Te Manatū Whakahiato Ora

Pūrongo ā-tau

Annual Report

2021 / **2022**





Manaaki tangata, Manaaki whānau
We help New Zealanders to be safe, strong and independent

Te kaupapa o tēnei Pūrongo ā-Tau Purpose of this Annual Report

This Annual Report explains how we helped New Zealanders to be safe, strong and independent in the year from 1 July 2021 to 30 June 2022.

The Annual Report is one of the key means by which the Ministry of Social Development (MSD) fulfils its accountability to Parliament and the public, and compliance with the reporting requirements set out in the Public Finance Act 1989. It shows how we have made progress towards achieving our outcomes and acknowledges the challenges we have faced across the year.

This Annual Report includes our service performance results and full financial statements for the year ended 30 June 2022.

Some headings and sections throughout this Annual Report have been translated into te reo Māori by Te Tari Taiwhenua - Department of Internal Affairs certified translation services.



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Kupu Whakataki nā te Tumuaki

Kia ora koutou,

Manaaki tangata, Manaaki whānau

**Ka āwhina mātau i te iwi o Aotearoa kia haumarū,
kia kaha, kia motuhake.**



Ko Te Manatū Whakahiato Ora (MSD) te whakahaere e tahuri ai ngā tāngata i Aotearoa mēnā kei te hiahia tautoko moni whiwhi rātau, kei te hiahia mahi, te ako, kāore rānei he wāhi hei noho. Kei reira mātau mō ngā tāngata i ngā wā e hiahia āwhina mai i a mātau, tae noa ki te tautoko i ngā kaumātua ina pakeke ana rātau. He tino whaitake ā mātau mahi – te āhua o ā mātau mahi – ki te tangata, tōna whānau me tōna hapori. Neke atu i te 160 ngā tari puta noa i Aotearoa, kei roto mātau i ngā hapori, ā, e mārama ana mātau ki te hira o tā mātau mahi i roto i ēnei hapori.

Ka hoki ngā whakaaro ki te tau kua hipa, ka nui taku mīharo ki te āhua o te urupare a ā mātau tāngata – me rātau e mahi ana mātau – ki ia wero, ā, i noho ai ko te oranga o ngā tāngata o Aotearoa te mea matua i roto i ā mātau mahi.

He nui ngā mea hei whakaaroaro mā mātau me te noho whakahihī anō mō ngā mea i oti i tērā tau, tae atu ki:

- te whakatū i a Whaikaha – Te Manatū Hunga Hauā
- tā mātau urupare ki te urutā KOWHEORI-19 e rerekē haere nei
- ngā otinga tiketike mō te whakauru i te tangata ki te mahi
- te whakawhānui atu i te kaha o ā mātau pātuitanga, me
- te whakatutuki i tētahi tohu nui me tā mātau kaupapa Te Pae Tawhiti.

Whaikaha – Te Manatū Hunga Hauā

He hōnore mō MSD ko ia te tari manaaki i a Whaikaha – Te Manatū Hunga Hauā. I whakatūria a Whaikaha i te 1 o Hūrae 2022, ā, e tohu ana tēnei i tētahi nekehanga nui mō te āhua o te mahi a te kāwanatanga me te hunga hauā, mā rātau hoki. Ko te whakarewatanga te otinga o tētahi mahinga nui ki te whakatū i te Manatū, ā, he rā aronganui, otirā mō rātau i taunaki kia whakatūria tēnei mō ngā tau maha. He tumuaki anō tō Whaikaha, koinei te wā tuatahi i tohua he tangata hauā hei Tumuaki Ratonga Tūmatanui.

Te whakatutuki i tō mātau wāhanga mō te urupare ki te KOWHEORI-19

He pānga tonu tō te urutā KOWHEORI-19 ki ngā ao o ngā tāngata o Aotearoa, me te pikitanga o ngā utu noho i muri mai. Kua kite mātau, me te urupare atu, ki te pikitanga o ngā tono mō ngā tautoko pāpori.

I tua atu i ngā utu moni āwhina me ngā kaupapa tautoko whakamatuatanga, i te taha o ētahi atu i arahina e mātau te urupare oranga Manaaki i roto i te Hapori, he āwhina i ngā whānau kei te noho taratahi. Ahakoa mēnā me whai moni whiwhi te tangata, ngā whare noho ohotata, ngā āwhina me ngā kai, ngā ārai kanohi, ngā rongoā rānei, i reira mātau, hei tauira, i te wā o te urutā Omikona, Ngā Kaitūhono Hapori i tautoko i ngā whānau 107,300 kia noho taratahi.

I tere tā mātau whakawhānui ake i ā mātau ratonga me te whakarite i tae atu ā mātau tautoko ki ngā hapori uaua te toro atu. I whakarite mātau i te noho takatū ngā whakahaere o te rohe ki te tuku tautoko ki te hapori, ā, i hāngai ā mātau tautoko ki ngā hapori Māori, Te Moananui-a-Kiwa, ngā mātāwaka me ngā kaiheke, te hunga hauā, ngā taiohi me ngā kaumātua.

I nā tata nei, i arotahi mātau ki ngā raru wā roa ake e puta ake ana i te mate urutā, pērā i te noho taratahi, te heke o ngā moni whiwhi, ngā nama, me te koretake o te hauora hinengaro, tinana hoki – ka kitea e tātau te pānga o ēnei mō tētahi wā roa.

He nui ake te hunga kei te whakaurua ki ngā mahi

Nā te tino whakapau kaha ki te whakauru i ngā tāngata ki te mahi i makere mai ai ngā kiritaki 226,836 mai i te takuhe ka whai mahi i roto i ngā tau e rua kua hipa – te otinga teitei katoa kua kitea.

I āwhina ngā kaupapa pērā i te Flexi-wage me te Te Whakapiki Mahi Pia ki te whakapakari i ngā pukenga o te hunga rapu mahi me te whakatenatena i ngā kaitukumahi kia whai kaimahi hou. I tūhono ngā whakahau e hāngai ana ki ngā mahi wāhanga tau i ngā ākongā me ētahi atu kiritaki ki ngā mahi i roto i te rāngai ahumāra, ka mutu i kitea i ngā taiopenga mahi puta noa i te motu ngā rārangi tāngata e huri haere ana i te poraka i a rātau e kimi mahi ana me ngā pakihi e rēhita ana i ngā kaimahi hou i aua rā.

Kotahitanga

I tēnei tau i kite mātau i te hira o ngā hononga me ngā kōtuinga i tuituia e mātau. I mahi tahi mātau me ngā tūmomo tāngata me ngā whakahaere whānui e arotahi ana ki ngā wāhi pērā i te:

- whakaiti i te whakarekerekere whānau me te koeretanga
- whakakaha i te piringa tahi pāpori, whai muri i te whakaekenga whakatumatuma o te tau 2019 i ngā whare kōrana i Ōtautahi
- urupare ki ngā ohotata rākau whakamarumarū, otirā ngā waipuke i pā mai i te motu whānui
- whakarite mahi i te rāngai pāpori i raro i te maru o Te Kawa Mataaho
- kauneke whakamua i te whanaketanga taiohi.

I ara ngā Kaikōmihana Kawa Mataaho ā-Rohe ki runga, e honohono ana i ngā mahi a Te Kawa Mataaho i ngā rohe. 12 ngā kaiārahi matua a MSD kei ēnei tūranga.

Kei te kaha haere kē atu ā mātau pātuitanga Karauna-Māori nā Te Hiku o te Ika Social Accord, Koiora Accord me Waikato-Tainui, He Tapuae me Ngāi Tūhoe me ētahi whakaaetanga hononga a ngā iwi. Kei ngā marae ētahi o ā mātau kaimahi, e tautoko ana i ngā whānau Māori i roto i tētahi wāhi e rata ana ki a rātau.

Ko te whai wāhi atu ki ngā whare noho utu ngāwari tonu tētahi raru. Ko tā mātau kaupapa matua he whakarite he wāhi tō te tangata ki te noho, ā, kei te mahi tahi mātau me ngā kaunihera, ngā kaupapa tiaki tāngata o ngā tāonenui me ētahi atu tari kia taea ai tēnei.

Te Pae Tawhiti

E ngākau whakahī ana ahau ki ngā mahi a MSD ki te ao o ngā tāngata o Aotearoa i roto i ngā marama 12 kua hipa. Ka mīharo ki ngā mahi i taea nā te mea i tutuki i raro i ngā hangarau me ngā pūnaha tawhito. Koinei te take ko tētahi o ngā mea whakahirahira ki ahau ko te whakamana a Te Rūnanga Matua i Te Pae Tawhiti – tā mātau kaupapa takahuritanga ka whakahou i ā mātau pūnaha me te āhua o ā mātau mahi i MSD.

Kāore rawa atu mātau i kotiti, i roto i ēnei mahi katoa, i ngā mahi hira o ia rā, ngā tautoko moni whiwhi, te whakarite kei te whiwhi ngā ākonga i ā rātau pūtea taurewa me ngā tahua tautoko, ngā whakatikatanga ā-tau, te piki o ngā takuhe, ngā utu hiko i te takurua, te whakahaere i te rēhita whare noho tūmatanui, te whakahaere i te aroturuki motuhake i ngā tamariki, te whakahaere i ngā kerēme tawhito, te whanaketanga taiohi me te uara i ngā takoha a ngā kaumātua mā te rautaki He Oranga Kaumātua.

Nā taku kitenga i tēnei whakahaere mai i ngā momo tirohanga katoa, ka nui taku mīharo ki ngā mahi a ā mātau tāngata. Otirā, e kore e mutu ngā mahi, engari he tino rawe tō mātau kapa mahi e rikarika ana ki te mahi haere tonu kia whaitake ki ngā ao o ngā tāngata.

Ahakoā kāore anō kia kore atu, kia warewarehia rānei te KOWHEORI-19, kei te hari katoa mātau ki te whakatuwhera anō i ō mātau tari, kia nui atu ngā mahi kanohi ki te kanohi me te tūhono anō - ki ngā kiritaki, ngā hoa pātui, tētahi ki tētahi, otirā ki tō mātau āhua tonu me ā mātau mahi.



Debbie Power

Tumuaki

Te Manatū Whakahiato Ora



Chief Executive's foreword

Kia ora koutou,

Manaaki tangata, Manaaki whānau

We help New Zealanders to be safe, strong and independent.



The Ministry of Social Development (MSD) is the organisation people in New Zealand turn to if they need income support, a job, to study, or have nowhere to live. We are there for people at the times in their life when they need us, right through to supporting seniors in their later life. What we do – and how we do it – makes a big difference to people, to their whānau and their community. With over 160 sites across Aotearoa, we are part of our local communities and we understand the importance of our role in these communities.

Looking back over the last year, I have been constantly impressed by the way our people – and those we work with – have responded to every challenge and kept the welfare of New Zealanders at the front and centre of what we do.

There is a lot we can reflect on and be proud of over the last year, including:

- setting up Whaikaha – Ministry of Disabled People
- our response to the evolving COVID-19 pandemic
- our record results getting people into work
- being able to build on the strength of our partnerships
- reaching a major milestone with our Te Pae Tawhiti programme.

Whaikaha – Ministry of Disabled People

It is a privilege for MSD to be the host agency of Whaikaha – Ministry of Disabled People. Whaikaha was established on 1 July 2022 and represents a significant shift in how government works with, and for, disabled people. The launch was the culmination of a huge amount of work to set up the Ministry and was an emotional day, especially for those who had advocated for its creation for many years. Whaikaha has its own Chief Executive, the first appointment of a disabled person as a public service Chief Executive.

Doing our bit for the COVID-19 response

The COVID-19 pandemic continues to impact the lives of New Zealanders, as does the subsequent rise in the cost of living. We have seen, and responded to, an increase in the demand for social support.

As well as Wage Subsidies and the Leave Support Scheme, we alongside others led the Care in the Community welfare response, which helped whānau who were isolating. Whether people needed income, emergency accommodation, assistance with food, masks, bills or medication, we were there (eg during the Omicron wave, Community Connectors supported 107,300 families who were isolating).

We scaled our services up at pace and ensured support went to hard-to-reach communities. We made sure local organisations were ready to provide support on the ground, and we tailored that support for Māori, Pacific, ethnic and migrant communities, disabled, youth and older people.

More recently, we've been focused on the longer-term issues emerging from the pandemic, such as social isolation, reduced income, debt, and poor mental and physical health – the impact of which we will see for some time.

Getting more people into jobs than ever before

A relentless focus on getting people jobs has seen 226,836 clients move off benefit into work in the last two years – our highest recorded result.

Programmes like Flexi-wage and Apprenticeship Boost helped upskill jobseekers and encourage employers to take on new staff. Targeted campaigns around seasonal work connected students and other clients to work in the horticulture industry, while job expos held around the country saw queues around the block of people looking for work and had businesses signing up new recruits on the day.

Kotahitanga – partnering

This year we saw just how important the relationships and networks we have developed are. We have worked with a wide variety of individuals and organisations to focus on areas, such as:

- reducing family and sexual violence
- strengthening social cohesion, following the 2019 terrorist attack on the Christchurch mosques
- responding to civil defence emergencies, in particular the floods experienced up and down the country
- social sector commissioning on behalf of the public service
- progressing youth development.

The work of the Regional Public Service Commissioners came to the fore, joining up the work of the public service in the regions. MSD has 12 senior leaders in these roles.

Our Crown-Māori partnerships go from strength to strength with the Te Hiku o te Ika Social Accord, Koiora Accord with Waikato-Tainui, the Ngāi Tūhoe Service Management Plan and other iwi relationship agreements. We have staff embedded at marae, bringing support to Māori whānau in an environment they are comfortable in.

Access to affordable housing remains an issue. Our priority is to make sure people have somewhere to stay and we work closely with local councils, city missions and other agencies to make this possible.

Te Pae Tawhiti

I am proud of the contribution MSD has made to the lives of New Zealanders over the last 12 months. What we achieved is made all the more remarkable when you consider it was done using outdated technology and systems. This is why one of my highlights is Cabinet signing-off Te Pae Tawhiti – our transformation programme that will modernise our systems and the way we operate at MSD.

At no point, amid all this activity, did we lose sight of the important day-to-day work, income support, ensuring students get their loans and allowances, annual adjustments, increases in benefits, winter energy payments, managing the Public Housing Register, hosting the Independent Children's Monitor, managing historic claims, youth development and valuing the contribution of older people through the Better Later Life strategy.

Having seen this organisation from every angle, I am full of admiration for what our people do. Of course, there is always more to do, but we have a great team in place keen to do more and make that difference in people's lives.

COVID-19 may not be gone or forgotten, but we're enjoying being able to open our sites back up, do more face-to-face and reconnect - with clients, partners, each other, as well as with who we are and what we do.


Debbie Power

Secretary for Social Development
Chief Executive, Ministry of Social Development



Whakarāpopototanga Matua

He mea waiwai ā mātau mahi i MSD, i te taha o ō mātau hoa pātui rāngai pāpori, kia taea ai tētahi anamata toitū me te whaihua e whai kawenga ai ngā tāngata katoa o Aotearoa mō rātau anō, kia angitu ai rātau i ō rātau ao me te whai wāhi atu ki ō rātau haporī.



He tau e tūhonohono anō i te iwi o Aotearoa me te ārai i te urupare orange o te KOWHEORI-19

I tēnei tau, i tautoko mātau i te iwi o Aotearoa kia tūhono anō, kia noho tūhono tonu rānei ki ngā wāhanga hira o ō rātau ao o ia rā pērā i tō rātau haporī, orange, mahi me te ako, me te whakarite kei te manaakitia ō rātau hiahia nohoanga me te moni whiwhi.

E mōhio ana mātau i uaua tēnei tau mō te hunga tokomaha nā ngā pānga o te KOWHEORI-19. He mea hira ā mātau ratonga mō te āwhina i ngā tāngata maha kia puta ō rātau ihu i ēnei whakapātariari. I roto i te tau, i mahi tahi tonu mātau me ētahi atu ki te ārahi me te whakarato i te urupare orange o Care in the Community (CiC). I oti anō i a mātau ngā huringa taketake ake ki te āhua o tā mātau mahi, ā, i eke i a mātau tētahi tohu hira mō Te Pae Tawhiti, tā mātau kaupapa takahuritanga.

Anei ētahi o ā mātau mea hira mō te tau 2021/22:

- ko ngā tatau tiketike atu anō mō tētahi tau anō i kitea neke atu i te 113,400 ngā tāngata i makere mai i te takuhe ki te whai mahi
- te whakakaha i ō mātau pātuitanga me ngā kaiwhakarato haporī me ngā hoa pātui ki te whakarato i ngā ratonga waiwai, me te haumi ki Ngā Kaitūhono Haporī 500 i roto i tā mātau urupare orange CiC hei tautoko i te hunga noho taratahi, i te kāinga rānei nā te KOWHEORI-19
- te whakapiki i ngā rahinga takuhe matua me ngā whakatikatanga ki te kaupapahere tautoko moni whiwhi me ngā whakaritenga, kia māmā ake te toro i ngā āwhina moni whiwhi mā te tangata i te wā tika
- tata ki te \$4.8 piriona i whakaratoa e te Kaupapa Utu Mahi Tāpiri i roto i ngā utunga o te Ākuhata 2021, i tua atu i ētahi atu tautoko ohaoaha, hei whakamāmā i ngā pānga ā-pūtea o te KOWHEORI-19
- te mahi me te hunga kore kāinga noho hei tautoko i te hekenga o Ngā Takuhe Hiahia Motuhake Nohoanga Ohotata i roto i ngā marama e 6 kua hipa (mai i te 6,225 i te Noema 2021 ki te takiwā neke atu i te 5,000 i te Hune 2022), e whakaatu ana i tō mātau pūmau ki te mahi me ētahi atu ki te tautoko i ngā tāngata kia whai i ngā otinga whare haumarū me te toitū
- te mahi ngātahi ki te whakatū i a Whaikaha – Te Manatū Hunga Hauā, i roto i ā mātau mahi ki te kauneke i te Takahuritanga Pūnaha Hauātanga
- te kauneke i te Pakihi Kaupapa Pūtake Pākihi mō Te Pae Tawhiti (te Kaupapa), e taea ai te takahuritanga o ā mātau tauira mahi me te ratonga hei āwhina kia puta ai ngā putanga pai mō te iwi o Aotearoa.

Te kauneke haere i tā mātau ahunga rautaki

He aratohu kaha, hāngai tā mātau aronga rautaki kei roto i Te Pae Tawhiti kia rereke te āhua o ā mātau mahi me te mahi tahi me ētahi atu ki te whakatutuki i ngā putanga mō te iwi o Aotearoa.

I roto i ā mahi ki te whakatutuki i ā mātau putanga e toru i te tau 2021/22 ko te:



Putanga: Ka whiwhi ngā tāngata o Aotearoa i ngā tautoko e hiahia ana rātau

- whakatinana i ngā huringa kaupapahere kia nui ake te rahi o ngā tautoko moni whiwhi e wātea ana ki ngā tāngata, pērā i ngā rahinga takuhe matua me ngā uauatanga
- whakatinana i ngā tūmomo huringa kaupapahere hei āwhina kia māmā ake te toro atu, pērā i te tango i te Kaupapahere Tamaiti o Muri Mai
- tata ki te \$4.8 piriona i whakaratoa e te Kaupapa Utu Mahi Tāpiri i roto i ngā utunga o te Ākuhata 2021, i te taha o ētahi atu tautoko ohaoha, hei whakamama i ngā pānga ā-pūtea o te KOWHEORI-19
- whakarato i te Kaupapa Takatū ki te Reti, Ngā Kaiwhakarite Whare Noho, Whakahaerenga Kēhi Ngoto me ngā kaitakawaenga whare noho kia whiwhi ai ngā tāngata i ngā tautoko, ngā pūkenga me ngā mōhio e hiahia ana rātau kia whiwhi, kia tika ai te pupuri i tō rātau retihanga whare
- whakarato i te \$1.8 miriona mā te Flexifund hei tautoko i te mātauranga me te oranga o ngā tamariki i roto i Ngā Whare Noho Ohotata
- whakapai ake i ngā tukanga whakahaere nama mō ā mātau kiritaki.



Putanga: E pakari ana te iwi o Aotearoa, ā, e noho ana i roto i ngā hapori manaaki me te tautoko

- haumi ki Ngā Kaitūhono Hapori 500 me te ārahi i te urupare oranga CiC i waenga tari hei whakarite kei te tautokona ngā tāngata me te noho tūhono ki ō rātau hapori e noho taratahi ana i te kāinga nā te KOWHEORI-19
- whakakaha i ngā pātuitanga me ngā kaiwhakarato hapori me ngā hoa pātui ki te whakarato i ngā ratonga waiwai
- te pupuri me te haumi ki ō mātau hononga Karauna-Tiriti, tae atu ki Te Hiku o Te Ika me He Tapuae me Tūhoe, he āwhina kia pai ake te oranga mō te Māori
- mahi ngātahi i roto o Te Puna Aronui me ētahi atu ohu ngātahi ki te whakakaha i ā tātau mahi kia noho haumarū ō mātau hapori me te whakakore i te whakarekereke whānau me te koeretanga
- whakatika i ngā wheako tūkino me te takaonge i raro i te Kāwanatanga
- taunaki i ngā hiahia me te oranga o ngā tamariki me ngā taiohi i roto i te pūnaha manaaki a te kāwanatanga
- taunaki i te hunga e manaaki ana i te whānau
- whakapai ake i te piringa tahi pāpori i Aotearoa
- whakarite i te haumarū o ngā ratonga pāpori e whakaratoa ana ki te iwi o Aotearoa.



Putanga: He pai te āhua o te whakauru a ngā tāngata o Aotearoa ki te iwi whānui me te whakatutuki i tō rātau pito mata

- tautoko i ngā haumitanga atu anō i roto i te Mana i roto i te Mahi, Te Whakapiki Mahi Pia me ētahi atu kaupapa whai mahi, hei āwhina i te iwi Aotearoa kia takatū, pūmau me te ukauka o te mahi
- ko ngā tatau tiketike atu anō mō tētahi tau anō i kitea neke atu i te 113,400 ngā tāngata i makere mai i te takuhe ki te whai mahi
- tautoko i ngā kaiwhakarato ratonga Whakatipu Pūmanawa Pūtea ki te whakarato i ngā wā hui neke atu i te 133,000 ki te hāpai ake i te oranga pūtea o te tangata
- mahi ngātahi ki te whakatū i a Whaikaha – Te Manatū Hunga Hauā, me te haumi i ngā mahi tautoko i te hunga hauā me ō rātau whānau kia tū motuhake ai me te hanga ao pai mō rātau
- whakarato i te Pūtea Penihana o Aotearoa me Ngā Penihana Ika-a-Whiro ki ngā kaiwhiwhi neke atu i te 858,300, me te tautoko i ngā kaumātua kia noho motuhake tonu ai rātau, kia rangatira tonu te whai wāhi ki te iwi whānui
- whakarato i ngā kaupapa me ngā ratonga whanaketanga taiohi me te umanga taiohi ki ngā taiohi neke atu i te 72,000 me te tuku i ngā whai wāhitanga mātauranga, mahi me te whakangungu pērā i a He Poutama Rangatahi hei āwhina kia momoho ai ngā taiohi.



Te whakatutuki i ō mātau tohu pānga me ngā whakaritenga whakatutukitanga

I pā kinotia ētahi wāhanga o ā mātau ratonga me te whakatutukitanga i tēnei tau nā te KOWHEORI-19 i mate ai mātau ki te huri i ā mātau kaupapa ki te tautoko i ngā hiahia inamata o ngā tāngata o Aotearoa. Ahakoa e wherawhera tonu ana mātau i ngā pānga o te KOWHEORI-19, e pūmau ana mātau ki te whakapai ake i te kounga me ngā putanga o ā mātau whakahaere me ā mātau ratonga.

Ngā tohu pānga

E ono ā mātau tohu pānga e hangai ana ki tā mātau ahunga rautaki me te whakaatu i te āhua o tā mātau ine i te anga whakamua ki te whakatutuki i ā mātau putanga, e ai ki tērā i roto i tā mātau tauākī Koronga 2018-2022. E rua ngā tohu pānga he mea wehe hei tohu-āpiti, huihui katoa e waru te nui o ngā otinga ka pūrongohia e mātau.

I tēnei e whā i roto i te waru o ngā inenga i whakaatu otinga pai ake ina whakatauritea ki ngā otinga o te tau 2020/21. Mā te whakataurite i ngā otinga i roto i te wā, e whakaatu ana ngā tohu e toru i ngā ia e anga atu ana ki te ahunga e hiahia ana.

Ka kitea ētahi atu mōhiohio anō mō ngā otinga o ā mātau tohu pānga mō te tau 2021/22 i roto i tō mātau wāhanga o Ngā tohu pānga o tā mātau whakahaere i roto i tēnei Pūrongo ā-Tau, mai i te whārangi 46-49.

Ngā inenga mahi

I ia tau e whakaae ana mātau me te Kāwanatanga ka pēhea te whakapau i ngā pūtea e whakaaetia ana e te Whare Pāremata, ā, ka pēhea tā mātau ine i tā mātau whakatutukitanga mō tēnei. Ka whakaputaina ngā inenga whakatutukitanga me ngā paerewa i whakaaetia ana i roto i Ngā Tahua Whakatau Tata a te Pōti Whanaketanga Ora, ā, ka whakarerekēhia pea i roto i Ngā Whakatau Tata Tāpiri a te Pōti Whanaketanga Ora i roto i te tau.



I tēnei, **64** o ngā whakaritenga whakatutukitanga mai i te **77** i tutuki i a mātau

83.1

ōrau, ina whakatauritea ki te

83.5

ōrau i tērā tau.

Mō ngā whakaritenga whakatutukitanga tāpiri e rua, kāore i wātea he otinga. Ka kitea ētahi atu mōhiohio anō mō ngā otinga o ā mātau whakaritenga whakatutukitanga mō te tau 2021/22 i roto i te wāhanga Te Aromatawai i te Whakatutukitanga o tēnei Pūrongo ā-Tau, mai i te whārangi 158.

Te whakapai ake i ō mātau pūmanawa ā-whakahaere

E whakawhirinaki ana te whakarato i tā mātau ahunga rautaki ki ngā mea maha, tae atu ki te whai pūmanawa ā-whakahaere tika. I tēnei, i mahi mātau ki te tautoko kia noho haumarua ā mātau kaimahi me ā mātau kiritaki, te whakaiti i ā mātau utunga waro, me te whakapai ake i ā mātau taumahi rangatōpū. I kaunekhia whakamuahia anō e mātau ngā mahi whakatakoto i te tūāpapa mō ngā huringa mā te Kaupapa Te Pae Tawhiti (te Kaupapa).

I a mātau e titiro ana ki āpōpō, ka uru mātau ki te takahuritanga nui mā te Kaupapa hei whakarato ki tā mātau ahunga rautaki me te kaupapa mahi o te Whakatikatika Oranga a te Kāwanatanga. Ko ngā otinga i oti mā te Kaupapa ka māmā ake, ka ngāwari ake mō te iwi Aotearoa ki te whiwhi āwhina, tautoko hoki mā te pūnaha oranga.

Executive summary

Our work at MSD, together with that of our social sector partners, is essential to achieving a sustainable and prosperous future in which all New Zealanders are able to take responsibility for themselves, be successful in their lives and participate in their communities.



A year of reconnecting New Zealanders and leading the COVID-19 welfare response

This year, we supported New Zealanders to reconnect or stay connected with the important parts of their everyday lives such as their community, wellbeing, employment and studies, while ensuring that their immediate housing and income needs were addressed.

We recognise that the impacts of COVID-19 made it a challenging year for many. Our services played a key role in helping many people overcome these challenges. During the year, we continued to work with others to lead and deliver the Care in the Community (CiC) welfare response. We also made more fundamental changes to the way we work and reached a key milestone for Te Pae Tawhiti, our transformation programme.

Some of our key highlights for 2021/22 include:

- having another year of record work-exit numbers with over 113,400 people moving off a benefit into work
- strengthening our partnerships with community providers and partners to deliver essential services, and investing in 500 Community Connectors as part of our CiC welfare response to support people self-isolating or at home due to COVID-19
- implementing increases to main benefit rates and adjustments to income support policy and criteria, to make it easier for income assistance to be accessed by people at the right time
- providing nearly \$4.8 billion in Wage Subsidy Scheme August 2021 payments, in addition to other economic supports, to help soften the financial impacts of COVID-19
- working with people in housing distress to contribute towards the drop of Emergency Housing Special Needs Grants (EH SNGs) over the last 6 months (from 6,225 in November 2021 to just over 5,000 distinct recipients by June 2022), demonstrating our commitment to work with others to support people into safe and sustainable housing solutions
- working collaboratively to establish Whaikaha – Ministry of Disabled People, as part of our role in progressing Disability System Transformation
- progressing our Programme Business Case for Te Pae Tawhiti (the Programme), which will enable the transformation of our operating and service models to help us achieve positive outcomes for New Zealanders.

Progressing our strategic direction

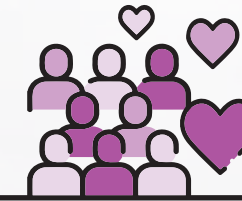
Our strategic direction set out in Te Pae Tawhiti provides a strong and relevant guide for change in the way we work and work with others to achieve our outcomes for New Zealanders.

Our work towards achieving our three outcomes in 2021/22 included:



Outcome: New Zealanders get the support they require

- implementing policy changes to increase the amount of income support available to people, such as to main benefit rates and hardship assistance
- implementing a range of policy changes to help make income support easier to access, such as removing the Subsequent Child Policy
- providing nearly \$4.8 billion in Wage Subsidy Scheme August 2021 payments, along with other economic supports, to help soften the financial impacts of COVID-19
- providing the Ready-to-Rent Programme, Housing Navigators, Intensive Case Management and housing brokers to help people with the support, skills and knowledge they need to acquire and successfully maintain a tenancy
- providing \$1.8 million through the Flexifund to support the education and wellbeing of children in Emergency Housing
- improving debt management processes for our clients.



Outcome: New Zealanders are resilient and live in inclusive and supportive communities

- investing in 500 Community Connectors and leading the cross-sector CiC welfare response to ensure people were supported and remained connected with their communities while isolating at home due to COVID-19
- strengthening our partnerships with community providers and partners to deliver essential services
- maintaining and investing in our Crown-Treaty relationships, including Te Hiku o te Ika and the Ngāi Tūhoe Service Management Plan, to help improve wellbeing for Māori
- collaborating in Te Puna Aonui and other joint ventures to strengthen our work to keep communities safe and eliminate family violence and sexual violence
- addressing historic experiences of abuse and neglect in state care
- advocating for the interests and wellbeing of children and young people in the state care system
- advocating for people caring for family and whānau
- improving social cohesion in New Zealand
- ensuring that social services are being safely delivered to New Zealanders.



Outcome: New Zealanders participate positively in society and reach their potential

- supporting further investments in Mana in Mahi, Apprenticeship Boost and other employment programmes, to help New Zealanders prepare for, secure and sustain employment
- having another year of record work-exits, with over 113,400 people moving off main benefits into work
- supporting Building Financial Capability service providers to offer over 133,000 sessions to improve people's financial wellbeing
- working collaboratively to establish Whaikaha – Ministry of Disabled People, and investing in work to support disabled people and their whānau to be independent and create good lives for themselves
- providing New Zealand Superannuation and Veterans' Pensions to over 858,300 recipients, and supporting older people to maintain their independence and continue to participate positively in society
- providing youth development and youth enterprise programmes and services to over 72,000 young people and providing education, employment and training opportunities like He Poutama Rangatahi to help young people thrive.



Achieving our impact indicators and performance measures

Some areas of our services and performance this year have been affected by COVID-19, which required us to pivot our programmes of work to support the most immediate needs of New Zealanders. While we continue working through the impacts of COVID-19, we are committed to improving the quality and outcomes of our operations and services.

Impact indicators

We have six impact indicators that align with our strategic direction and represent the way we measure progress towards achieving our outcomes, as introduced in our Statement of Intent 2018-2022.¹ Two of the impact indicators are split into sub-indicators, taking the total number of results we report to eight.

This year, four out of eight measurements showed improved results compared to results in 2020/21. Looking at results in comparison over time, three indicators show trends in the desired direction.

Further information on our impact indicators results for 2021/22 can be found in the 'Our organisational impact indicators' section of this Annual Report, from page 46-49.

Performance measures

Each year we agree with the Government on how we will use the funding approved by Parliament and how we will measure our performance of this. The performance measures and agreed standards are published in the annual Vote Social Development Estimates of Appropriations and may be amended in Vote Social Development Supplementary Estimates of Appropriations during the year.



This year, we achieved **64** out of **77** performance measures

83.1
percent

compared to
83.5
percent last year.²

¹ See www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/corporate/statement-of-intent/2018/how-we-will-assess-our-performance.pdf

² In MSD's 2020/21 Annual Report, this was reported as a rounded figure of 84 percent. This year, we have revised this to 83.5 percent, to ensure consistency in the application of decimal place rounding throughout the document.

For two additional performance measures, no results were available. Further information on our performance measures results for 2021/22 can be found in the 'Assessing our Performance' section of this Annual Report, from page 158.

Improving our organisational capabilities

Delivering on our strategic direction relies on many things, including having the right organisational capability. This year, we worked to support and keep our people and clients safe, reduce our carbon emissions and improve our corporate functions. We also advanced work on laying the foundations for change through Te Pae Tawhiti (the Programme).

As we look to the future, we will undergo significant transformation through the Programme to deliver to our strategic direction and the Government's Welfare Overhaul work programme. The changes made through the Programme will make it easier and simpler for New Zealanders to get help and support through the welfare system.

Ā mātau tatauranga hira mō te tau 2021/22

Our key stats for 2021/22



People receiving NZ Superannuation

30 June 2022 **More than 858,300**

30 June 2021 More than 837,500

30 June 2020 More than 809,000



People receiving benefits

30 June 2022 **Nearly 345,000**

30 June 2021 Nearly 355,000

30 June 2020 More than 353,000



Applications on the Public Housing Register

30 June 2022 **More than 32,000**

30 June 2021 More than 29,000

30 June 2020 Nearly 22,000



Youth development opportunities funded

2021/22 **Over 72,200**

2020/21 Nearly 68,600



Student Loan and Allowance applications processed

2021/22 **Nearly 266,800**

2020/21 Nearly 324,600



Percentage of people with full-time work obligations who left benefit system and stayed off benefit for at least six months

2021/22 **63.1%**

2020/21 58.9%



Value of hardship grants

2021/22 **\$900 million** (more than **2.3 million** grants)

- \$129.1 million for nearly 1.3 million Special Needs Grants for food
- \$393.1 million for over 144,500 Emergency Housing Special Needs Grants

2020/21 \$857.5 million (nearly 2.5 million grants)



COVID-19 economic and welfare supports provided

30 June 2022 **Nearly \$4.8 billion** provided in COVID-19 Wage Subsidy Scheme August 2021 payments to support over 1.3 million jobs

30 June 2022 **\$98.3 million in funding** for community food providers to deliver over 548,000 food packs

2021/22 Community Connectors **expanded from 141 to 500**



Working-age benefits cancelled because people got work

2021/22 **113,427**

2020/21 113,409



People accessing community support services

2021/22 **90,111**

2020/21 83,736

Mō mātau

About us

Ko tā mātau mahi he ārahi i te whanaketanga pāpori mō te iwi o Aotearoa

Our role is leading social development for all New Zealanders

As the lead agency for the social sector, the Ministry of Social Development (MSD) is responsible on behalf of the Government for leading social development to secure better futures for all New Zealanders.

We help the Government set priorities across the sector, co-ordinate the actions of other social sector agencies, develop and implement policy, and measure progress for the social wellbeing of New Zealanders.

We provide policy advice, and deliver social services and assistance to young people, working-age people, disabled people, older people, families, whānau and communities. We work directly with New Zealanders of all ages to improve their social wellbeing.

As a Te Tiriti o Waitangi partner, we are committed to supporting and enabling Māori, whānau, hapū, iwi and communities to realise their potential and aspirations.

Our work, together with that of our social sector partners, is essential in achieving a sustainable and prosperous future in which all New Zealanders are able to take responsibility for themselves, be successful in their lives and participate in their communities.



Ā mātau mahi

What we do

We want to secure a better future for New Zealanders. This involves working with and through others to take a holistic approach to meeting people's needs and intervening early to get the best solutions.

We help New Zealanders by fulfilling a broad range of responsibilities and functions, including:

- providing employment services
- providing income support and superannuation services
- administering Student Loans and Allowances
- designing and delivering community services in conjunction with others
- allocating funding to community service providers
- providing public housing assistance and services
- being a lead agency for accessibility for all New Zealanders
- assessing and resolving claims of historical abuse and neglect
- providing advice on regional public service governance
- being the primary provider of social policy advice to the Government
- ensuring the legislation we administer is effective and fit for purpose
- providing a monitor function and ministerial advice to three Crown entities: the Office of the Children's Commissioner (OCC), Peke Waihangā – New Zealand Artificial Limb Service and the Social Workers Registration Board (SWRB)
- hosting the Establishment Unit to set up Whaikaha – Ministry of Disabled People, as well as hosting the Ministry of Youth Development (MYD), the Office for Disability Issues (ODI), the Office for Seniors, the Independent Children's Monitor (ICM) and Te Kāhui Kāhu (Social Services Accreditation)
- supporting Crown engagement on the Royal Commission of Inquiry (RCOI) into Historical Abuse in State Care and in the Care of Faith-based Institutions, the RCOI into the terrorist attack on Christchurch masjids on 15 March 2019 and Kaupapa (Thematic) Inquiries
- working with other agencies and the wider social sector to support government priorities and improve the wellbeing of all New Zealanders.

Our policy advice work includes:

- providing advice on welfare change, employment and training supports and a wide range of social policy issues, including those affecting disabled people, older people, children and youth
- responding to adverse and crisis events
- supporting consultations on the Working for Families Tax Credits Review and New Zealand Income Insurance Scheme
- co-ordinating the whole-of-government approach to strengthening social cohesion.

We serve a wide range of clients, including:

- working-age people
- sole parents
- older people
- young people
- students
- disabled people
- people with health conditions
- carers
- people who need income, employment and housing support.

As well as people living in New Zealand, our clients include New Zealanders who live overseas and receive financial assistance.

We administer a series of statutes that ensure a fair welfare system for all New Zealanders. The most significant of these is the Social Security Act 2018 and the New Zealand Superannuation and Retirement Income Act 2001. We are also required to operate under a range of public sector legislation such as the Public Finance Act 1989, the Public Service Act 2020, the Official Information Act 1982, the Privacy Act 2020, the New Zealand Bill of Rights Act 1990 and the Crown Entities Act 2004.

E mahi tahi ana mātau me ētahi atu tari ki te whakarato i ngā ratonga rāngai tūmatanui

We collaborate with other agencies to deliver public sector services

Partnering with government and non-government organisations (NGOs) enables us to maximise our reach and impact. This means we can achieve a better future for New Zealanders.

We lead and co-ordinate social policy development for the Government, including its commitment to overhauling the welfare system, and we work with others to achieve our outcomes. This means partnering across the social, justice and economic sectors, and with iwi, private sector, not-for-profits and NGOs to:

- contribute to cross-sectoral strategies
- lead strategies for projects or communities
- develop and provide policy advice to Ministers on issues that affect the whole social sector
- provide research and evaluation to support our social policy advice
- deliver services to the public.

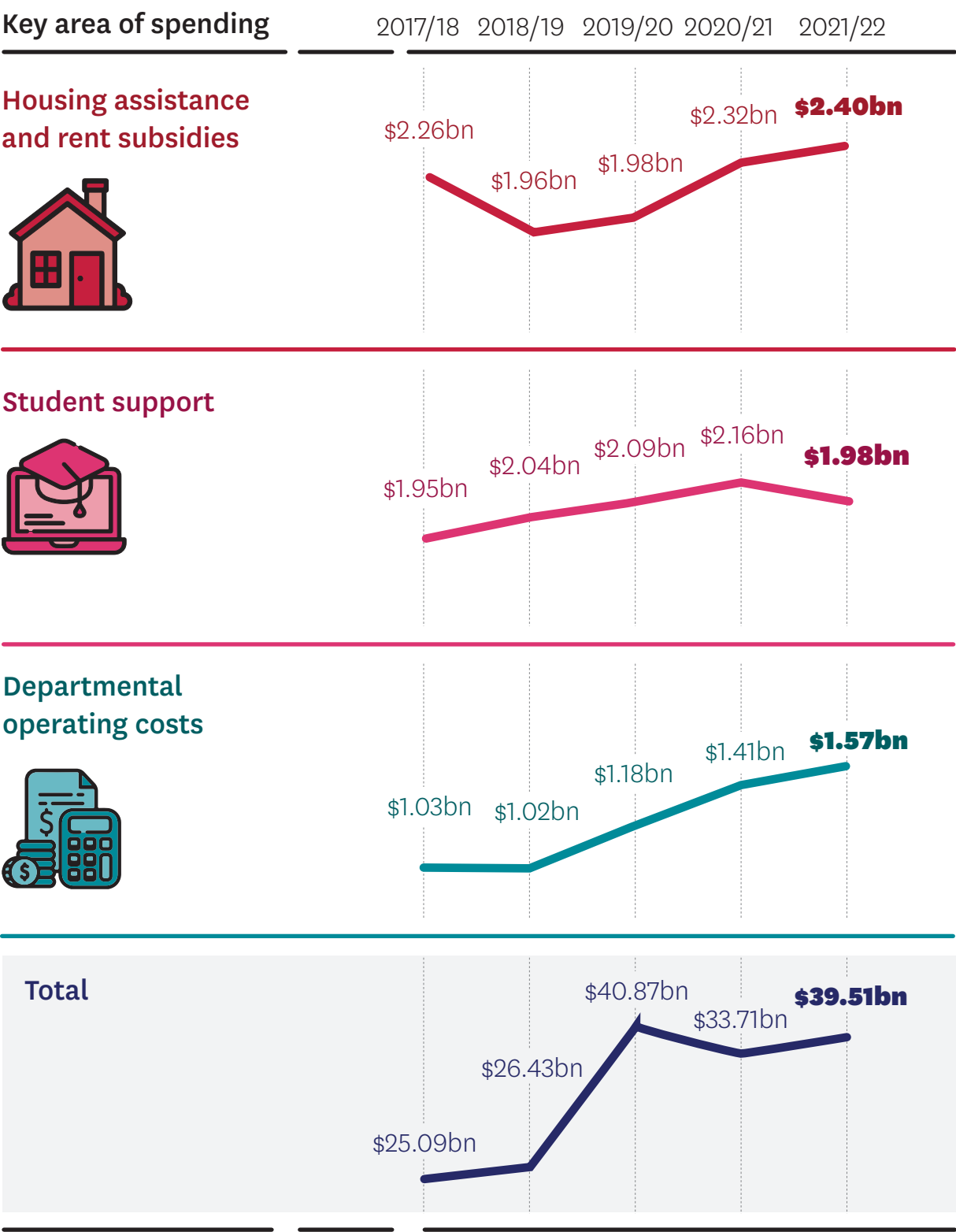
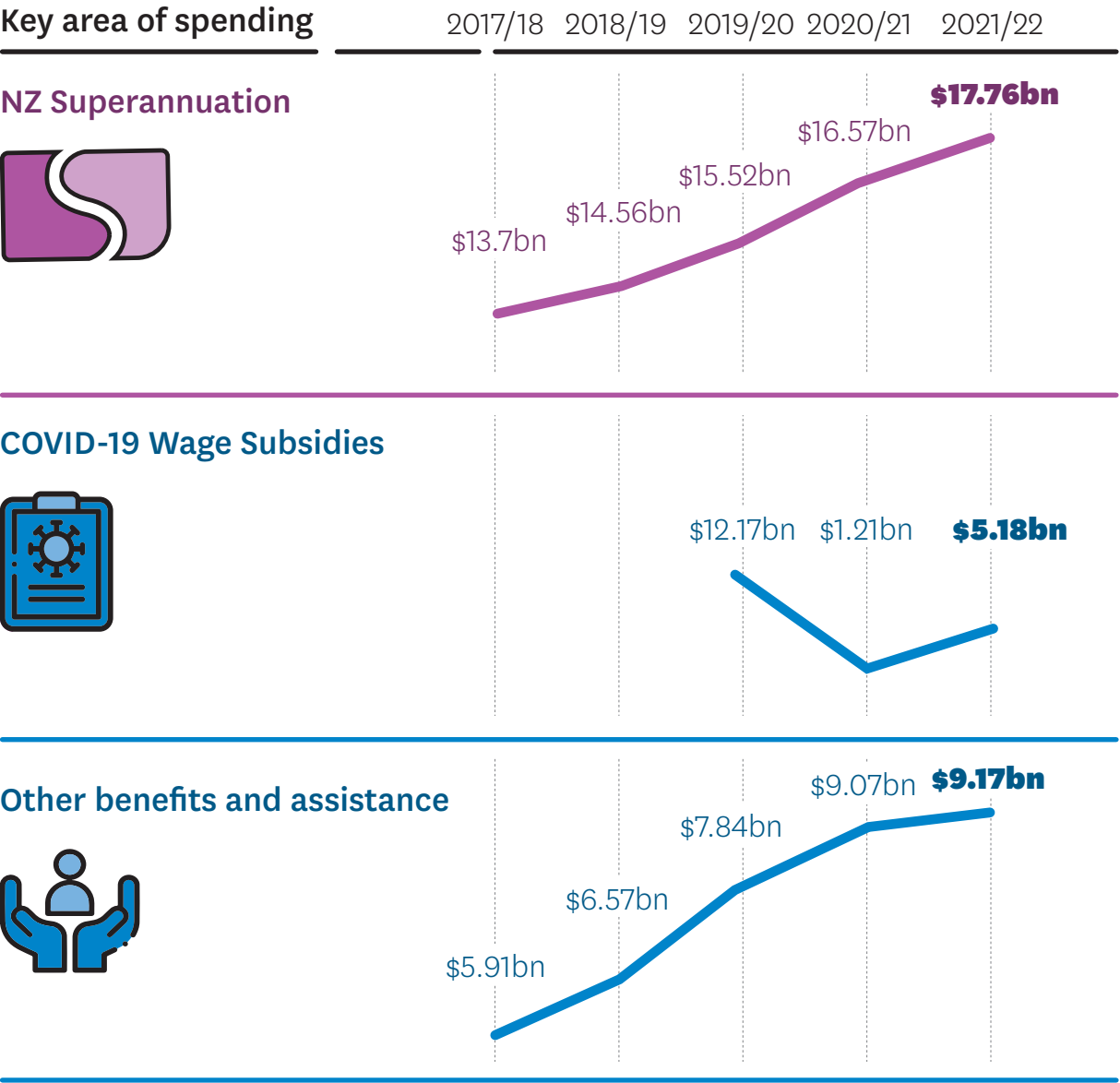
Ka whiwhi mātau i ā mātau pūtea mai i te Karauna

We receive our funding from the Crown

Our budgeted spending is approved by Parliament following the Budget announcement each year. The annual Vote Social Development Estimates of Appropriations details the funding allocated, policy initiatives approved, Ministers’ spending intentions and how performance will be assessed, and may be amended in Vote Social Development Supplementary Estimates of Appropriations during the year.

The Ministry also receives funding from some government agencies to provide agreed corporate and accreditation services.

Full details of spending in 2021/22 can be found in the 'Financial Statements' section from page 219.



Kei te motu whānui o Aotearoa mātau

We are located across New Zealand

As at 30 June 2022, we had over 8,900 staff (8,800 full-time employees).

We have offices and service centres in towns and cities throughout the country where people can seek the assistance they need.

We also provide some services via phone and digital channels (such as our MyMSD online self-service portal), to ensure people have access to our services when they need it and to continue delivering our services when COVID-19 restrictions have been in place.

In smaller communities, we make use of local Heartland Services arrangements, where people can access the services of several different government agencies in one place.

Our Regional Development team works closely with the Regional Public Service Leads (the Leads) to improve the co-ordination of public services across New Zealand. Twelve of the Leads are MSD Regional Commissioners.

Data about our service centre locations in each region can be found in Appendix 2.



Tā mātau hanganga whakahaere

Our organisational structure

Our Ministers

This year, eight Ministers held portfolios relating to social development, employment and public housing. Prime Minister Jacinda Ardern announced changes within her Cabinet to Ministers' portfolios in June 2022.³

Hon Carmel Sepuloni

- Minister for Social Development and Employment
- Minister for Disability Issues (until 13 June 2022)



Hon Kelvin Davis

- Minister for Children



Hon Dr Megan Woods

- Minister of Housing



Hon Poto Williams

- Minister for Disability Issues (from 13 June 2022)
- Associate Minister for Children
- Associate Minister for Social Development (until 13 June 2022)
- Associate Minister of Housing (until 13 June 2022)



Hon Peeni Henare

- Associate Minister of Housing (Māori Housing)



Hon Dr Ayesha Verrall

- Minister for Seniors



Hon Priyanka Radhakrishnan

- Associate Minister for Social Development and Employment
- Minister for Youth
- Minister for Diversity, Inclusion and Ethnic Communities



Hon Marama Davidson

- Minister for Prevention of Family and Sexual Violence
- Associate Minister of Housing (Homelessness)



We also provide services to the Minister of Revenue (management of Student Loans and Student Allowances) and the Minister for Veterans (payment of Veterans' Pensions), who have responsibility for appropriations in Vote Social Development.

³ These Cabinet changes were announced on 13 June 2022. The full Ministerial List as at 14 June 2022 can be viewed at <https://dpmc.govt.nz/our-business-units/cabinet-office/ministers-and-their-portfolios/ministerial-list>

Our Leadership Team

Each of our business groups is led by a Deputy Chief Executive (DCE) who is a member of our organisational Leadership Team, which includes our Chief Executive, Debbie Power. The Leadership Team ensures support for our Ministers to carry out their duties and implement their policies.

In June 2022, some changes were introduced to our Leadership Team structure, including the establishment of a new DCE role to lead the design and implementation of our Te Pae Tawhiti Programme.

Our business groups

We work collaboratively across our business groups, sharing information and combining our skills and knowledge to improve outcomes for our clients.

Our Leadership Team and business groups as at 30 June 2022:



Debbie Power
Tumuaki
Chief Executive



Lena Sapunova

Kaihautū, Tari o te Tumuaki
Acting Director, Office of the Chief Executive (from 13 June 2022)

The Office of the Chief Executive provides high-level strategic, organisational and operational advice and manages key external relationships across the social sector as well as the entire state sector. It works with all areas of MSD to co-ordinate and provide advice to the Chief Executive and Ministers.



Viv Rickard

Manahautū Ratonga Whakahaere
DCE Service Delivery

The Service Delivery group, our operational arm, delivers employment, housing, financial and support services in sites throughout New Zealand and online. The group works to make a difference for New Zealanders, including supporting people financially so they can study, helping people into employment, assisting seniors with their entitlement to New Zealand Superannuation, and supporting those adversely affected by the impacts of COVID-19.



Marama Edwards

Manahautū Whakairinga Tūmanako Māori, o Hapori, o Rangapū
DCE Māori, Communities and Partnerships

The Māori, Communities and Partnerships group is responsible for building capability across MSD to support the aspirations of Māori. The group also leads our work in securing better outcomes for Māori, Pacific and ethnic communities, and connecting and collaborating to build effective partnerships and community approaches to help those who most need our support.



Simon MacPherson

Manahautū Kaupapa Here
DCE Policy

The Policy group provides policy advice on welfare system change and wider social development, income, employment and housing support, regional development, issues faced by seniors and people with a disability, child and youth-related matters, and our international obligations. The group also supports our contribution to Inquiries, and cross-sector issues, including climate change and social cohesion.



Nic Blakeley

Manahautū [te reo Māori translation for Transformation group under development]
DCE Transformation⁴

The Transformation group is responsible for the design and implementation of MSD's Te Pae Tawhiti Programme, delivering a new service approach to meet the needs of clients and whānau. This group includes the capability to ensure change activity is managed across MSD, as well as the Improvement, Systems and Technology group.



Sacha O'Dea

Manahautū Rautaki me Matawhānui
Acting DCE Strategy and Insights (from 13 June 2022)

The Strategy and Insights group is responsible for developing and implementing MSD's strategy by creating insights for effective decision-making, focusing resources on the right investments, and understanding and evaluating performance.



Melissa Gill

Manahautū Tōpūtanga Māia me Whakapā
DCE Organisational Assurance and Communication

The Organisational Assurance and Communication group promotes the overall integrity of MSD's operations by making sure there is ongoing compliance with legislation and policy, communication with the public and stakeholders is effective, and Ministers are supported.



Liz Jones

Manahautū Mahi Kōtuinga
DCE Business Integration

Business Integration is an integrated MSD work programme that supports the implementation of our strategic change programme and the new service approach to meet the needs of clients and whānau.



Nadine Kilmister

Manahautū Paihere Tangata me Raukaha
DCE People and Capability⁵

The People and Capability group provides financial, commercial and people services to MSD and shared corporate services to other agencies, and is responsible for historic claims, the Independent Children's Monitor and Te Kāhui Kāhu (Social Services Accreditation) functions.

⁴ Nic Blakely was previously DCE Strategy and Insights. From 13 June 2022 Nic Blakely became Acting DCE Transformation and has since moved into the role permanently.

⁵ Until 10 June 2022 the DCE People and Capability was Stephen Crombie. From 13 June 2022 Nadine Kilmister was Acting DCE People and Capability and has since moved into the role permanently.

Ka arahina a mātau mahi e ō mātau uara whakahaere

Our organisational values guide our work

Our four values represent and underpin who we are and what we stand for.

Our values help us to align our daily actions with a common purpose and a shared understanding of what should guide our behaviour. Our people are committed to living our values.



Manaaki

We care about the wellbeing and success of people

This design is the interconnected relationship of the organisation and the community. The koru are reflections of one another.



Whānau

We are inclusive and build a sense of belonging and place

The koru and puhoro are symbols of the strength of whānau and whakapapa. The mangōpare design in the middle is the common thread that binds us to Papatūānuku.



Mahi tahi

We work together, making a difference for communities

This design comes from rauru, a design that can reflect the separation of Ranginui and Papatūānuku as a result of their children working together.



Tika me te pono

We do the right thing with integrity

This design depicts a maunga, the sense of a higher purpose and responsibility of the organisation to be honest and trustworthy. The bindings of the maunga are the many threads needed to achieve this.

Tā mātau pou tarāwaho rautaki

Our strategic framework

Over the last few years, we have developed and implemented our strategic direction,⁶ Te Pae Tawhiti – Our Future, which is supported by Te Pae Tata and Pacific Prosperity, our Māori and Pacific Strategies and Action Plans respectively. These sit at the heart of the work we need to do to deliver on our purpose, achieve our three outcomes and positively impact the lives of New Zealanders.

Purpose

Our purpose describes why MSD exists.

The te reo Māori version of our purpose statement is a figurative translation. It means caring for people and caring for whānau and families.

Manaaki tangata, Manaaki whānau.

We help New Zealanders to be safe, strong and independent



Outcomes

Our outcomes are what we will achieve in order to deliver to our purpose.

New Zealanders get the support they require

New Zealanders are resilient and live in inclusive and supportive communities

New Zealanders participate positively in society and reach their potential

Strategic direction and shifts

Te Pae Tawhiti presents our strategic direction, describing the three shifts we will make across our organisation in all of our work to achieve our outcomes.

Te Pae Tata and Pacific Prosperity embrace the three shifts and describe how they will be realised for Māori and Pacific peoples.



Impacts

Our impacts outline our medium-term focus areas to achieve our outcomes, and capture our contribution to Government priorities and the Welfare Overhaul work programme.

- Improve people's trust and confidence in the welfare system
- Improve effectiveness of support
- Reduce the number of people in hardship or insecure housing
- Improve awareness of and access to support
- Improve equity of outcomes, particularly for Māori
- Reduce harm and improve strength of whānau, families and communities
- Improve the effectiveness of connections across different providers and organisations
- Improve our contribution to industry and regional development
- Improve employment outcomes through sustainable work
- Improve people's readiness for work, including through training and education
- Improve people's abilities to meaningfully participate in society

⁶ See www.msd.govt.nz/about-msd-and-our-work/about-msd/strategies/index.html

Ā mātau tūtohu pānga whakahaere
 Our organisational impact indicators

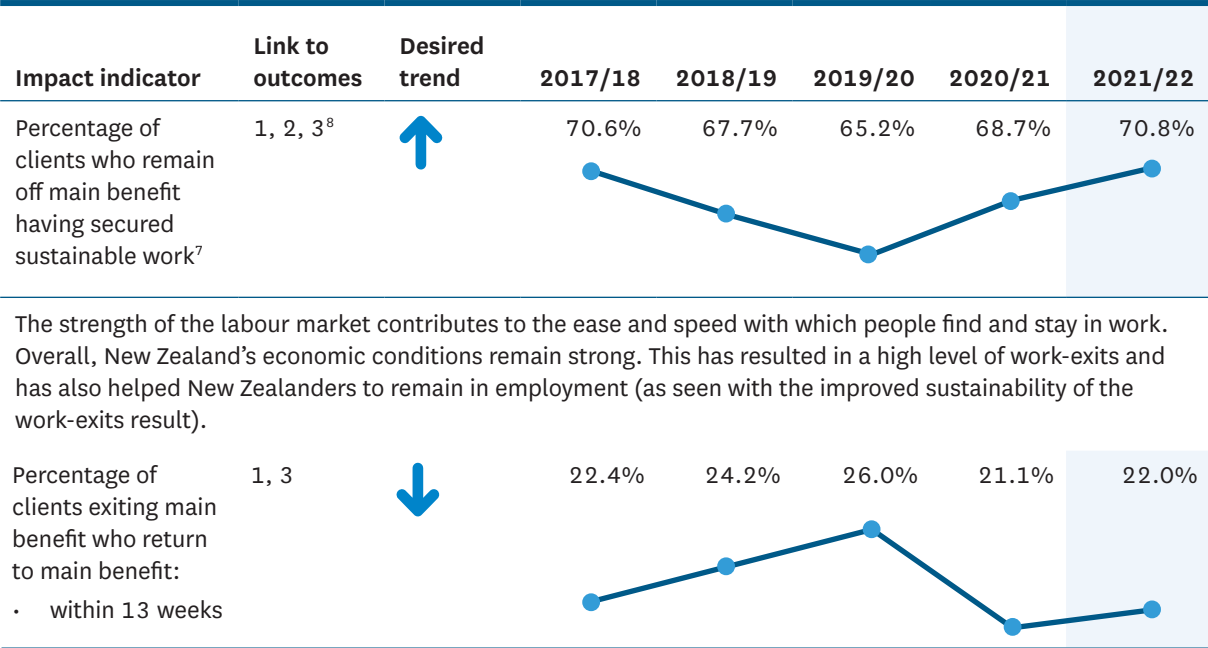
Indicators help us understand our progress towards achieving our outcomes, impacts and key shifts.

These indicators are designed to show the direction in which we would like to see results head over time. We expect them to evolve over time as we develop new and improved ways to measure what we think is important, including what we would like to but currently cannot measure.

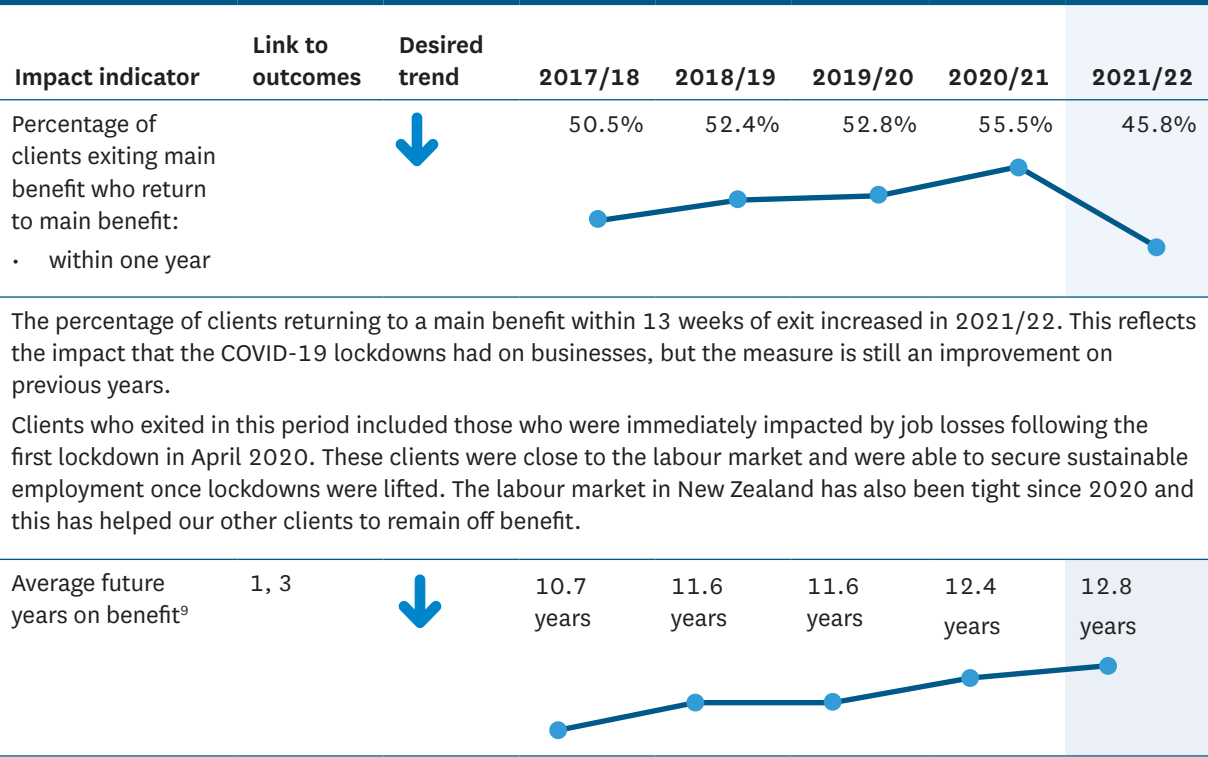
The results we have seen so far are helping to establish baselines on which we can measure progress in future years. Results in general indicate that performance is not yet following the desired direction of travel for most indicators.

The current and historical performance results and trends for our impact indicators are shown below.

Current and historical results for our impact indicators



⁷ A sustained outcome is where a client has not returned to a main benefit 26 weeks after exiting for work.
⁸ Our outcomes are:
 Outcome 1: New Zealanders get the support they require
 Outcome 2: New Zealanders are resilient and live in inclusive and supportive communities
 Outcome 3: New Zealanders participate positively in society and reach their potential.

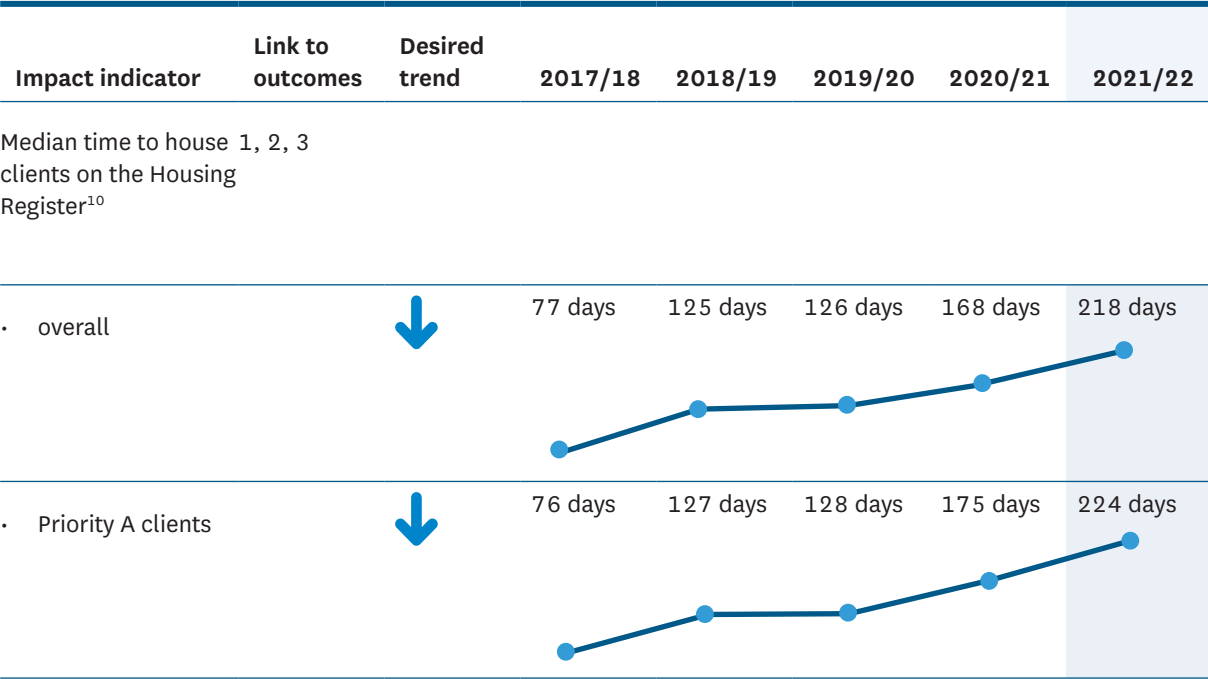


This estimate considers the historical, current and estimated future dynamics of the benefit system. The result is an average figure across all main benefit types. Changes to the dynamics of the benefit system will impact the estimated future years on benefit in different ways for different benefit types. For example, year-on-year increases in the rate at which people exit the benefit system into sustainable employment would likely reduce the average estimated future years on main benefit for Jobseeker Support-Work Ready (JS-WR) clients.

Projected average future years on main benefit have increased from 12.4 in 2020 to 12.8 in 2021 for main benefit clients. The main factors influencing this are:

- Prior to the COVID-19 pandemic, the rate that people exited main benefits had been falling. This increases how long people are projected to remain on a main benefit. This was particularly true for JS-WR and Sole Parent Support (SPS) clients.
- Improved economic forecasts (HYEFU 21) offset some of this increase. This includes reduced future unemployment rates which, all else being equal, results in clients spending less time on main benefits.
- People who accessed support during the pandemic tended to be closer to the labour market than in the past. This group is projected to spend less time on a main benefit. As a result, projected future years on main benefit for all Jobseeker Support clients did not increase by as much as it otherwise might have.

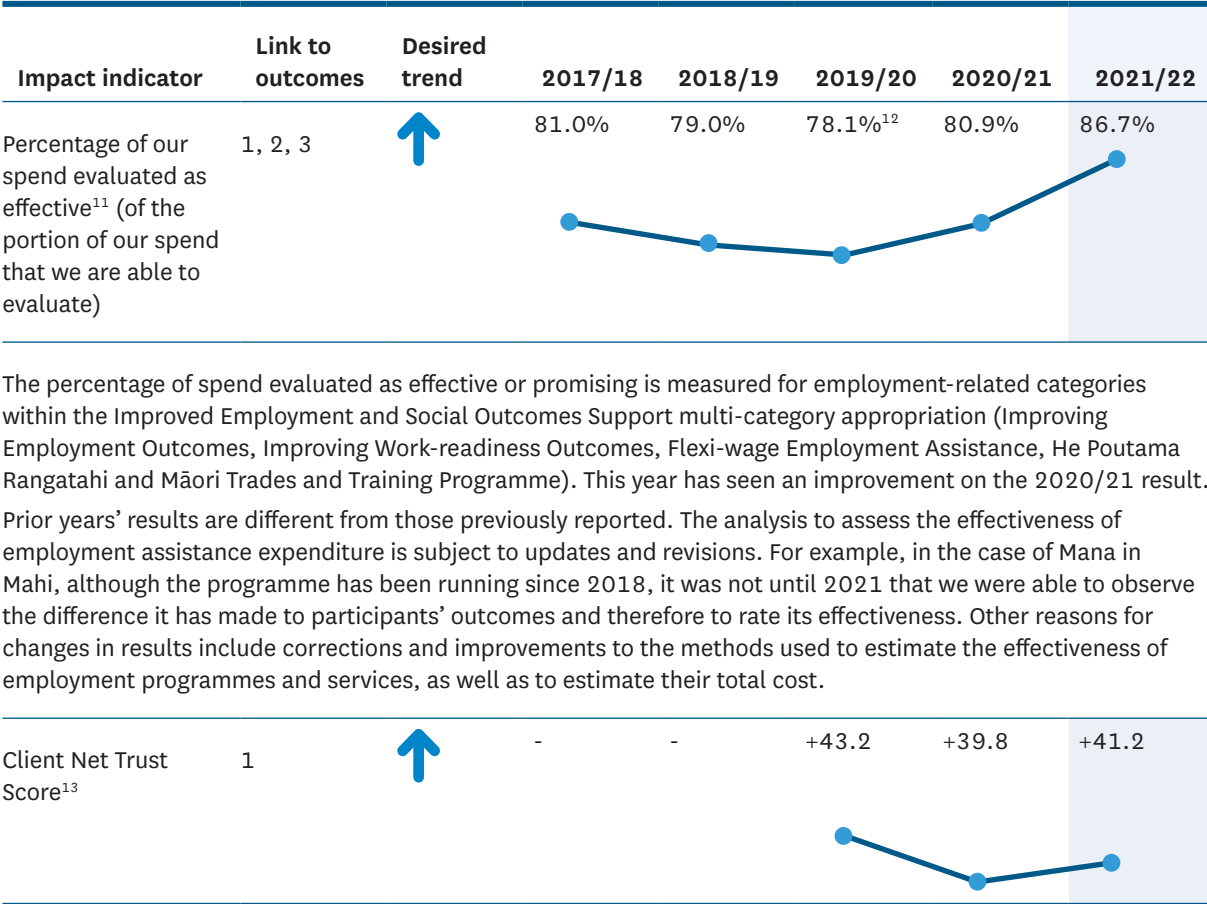
⁹ The number of years, on average, for which people receiving a benefit at 30 June in the respective year are expected to be supported by a benefit over the remainder of their working lives. The key driver in predicting the average future years on benefit (the future years projection) is how people move into, through and out of the benefit system. For example, if it is harder for people to exit the benefit system then, all else being equal, the future years projection will increase. Several factors can influence how people move through the benefit system, including:
 • changes in the labour market, such as forecast unemployment rates – all else being equal, increases in current and forecast unemployment rates will lead to increases in predicted future years on a main benefit. This is because those supported by a benefit will typically find it harder to find employment and, once they do, are more likely to cease employment if unemployment is high
 • policy and operational settings; for example, successful programmes that help clients move to sustainable employment can reduce predicted future years on main benefit
 • demographic changes – if, for example, the proportion of clients who have a relatively low future years projection increases, then the overall future years projection will decrease. If the proportion of clients supported by a benefit who are young increases then, all else being equal, the future years projection will also increase as young clients have a longer working lifetime remaining
 • methodology changes – every year, the models that predict future time on benefit are improved with new data and modelling techniques that help us understand more about how people transition through the benefit system. These can impact the future years projection. The exact impact will depend on the particular change.



These results reflect the Public Housing Register. The needs of New Zealanders are changing, and many families are finding it harder to access the private rental market. This is particularly true for those who have been renting for a while and now need to find a place to live in a more expensive and competitive housing market.

The broader housing market situation contributes to a growing Public Housing Register. The public housing assessment measures an applicant’s need to move and their ability to access, afford and sustain a private rental. If an applicant meets the eligibility criteria, needs a home, and has very limited options in the private rental market, they will likely qualify for public housing. We are seeing more people with fewer options in the private market, and this is also reflected in higher numbers in emergency and transitional housing.

¹⁰ Results shown here for prior years differ from those reported previously to correct a previous reporting error, as previous results were for the June quarter in each year (2017–2019) rather than the full financial year.



The percentage of spend evaluated as effective or promising is measured for employment-related categories within the Improved Employment and Social Outcomes Support multi-category appropriation (Improving Employment Outcomes, Improving Work-readiness Outcomes, Flexi-wage Employment Assistance, He Poutama Rangatahi and Māori Trades and Training Programme). This year has seen an improvement on the 2020/21 result. Prior years’ results are different from those previously reported. The analysis to assess the effectiveness of employment assistance expenditure is subject to updates and revisions. For example, in the case of Mana in Mahi, although the programme has been running since 2018, it was not until 2021 that we were able to observe the difference it has made to participants’ outcomes and therefore to rate its effectiveness. Other reasons for changes in results include corrections and improvements to the methods used to estimate the effectiveness of employment programmes and services, as well as to estimate their total cost.

The 2020/21 surveys only covered interactions with customer service representatives in contact centres, as we no longer use the IT systems that previously triggered service centre surveys. In July 2021, MSD was able to begin sending surveys for interactions with service centres again.

Historically, results for conversations with service centre staff have scored higher than for conversations with contact centres. In 2021/22, the Net Trust Score result for contact centres was +40.3, compared with +47.1 for service centres.

¹¹ The effectiveness of our spend is based on whether employment interventions such as training or Wage Subsidies increase the time participants have higher income, spend more time in employment and/or less time in corrections services and welfare assistance, and gain higher qualifications.

¹² Historical data has been updated due to an error in the analysis that incorrectly excluded recent participant cohorts.

¹³ Until 2018/19 we reported customer satisfaction results from the former Service Quality Monitor survey, as outlined in our 2018-2022 Statement of Intent, while we developed and tested a true Client Net Trust indicator. From 2019/20 we started to report a true Client Net Trust Score on a continuum from -100 to +100, where any score above 0 is considered a positive result.

Ā mātau mahi i te tau 2021/2022

Our work in 2021/22

In the face of recent global disruption, the direction set in Te Pae Tawhiti – Our Future, Te Pae Tata and Pacific Prosperity provides a strong and relevant guide for change to achieve better outcomes for New Zealanders.

Te Pae Tawhiti – Our Future

Our strategic direction

Te Pae Tawhiti continues to provide a clear direction to realise our outcomes for clients. Successes achieved in the past year include:

- leveraging our existing partnerships and forming new ones to help people isolating at home due to or impacted by COVID-19
- investing more in services and programmes that help people on a main benefit get and stay in jobs
- expanding employment services to people not on a main benefit.

In May 2022, we hit a significant milestone towards enabling further progress on our three shifts, with Cabinet agreeing to the preferred way forward in the Programme Business Case for Te Pae Tawhiti Programme (the Programme). This means re-designing MSD's operating model to support fully integrated services, facilitated by re-designed business processes and renewed technology platforms.

Mana manaaki

A positive
experience every time



We will look after the dignity of people with warmth, listening, respect, compassion, openness and fairness, helping people, whānau, families and communities.

Kotahitanga

Partnering
for greater impact



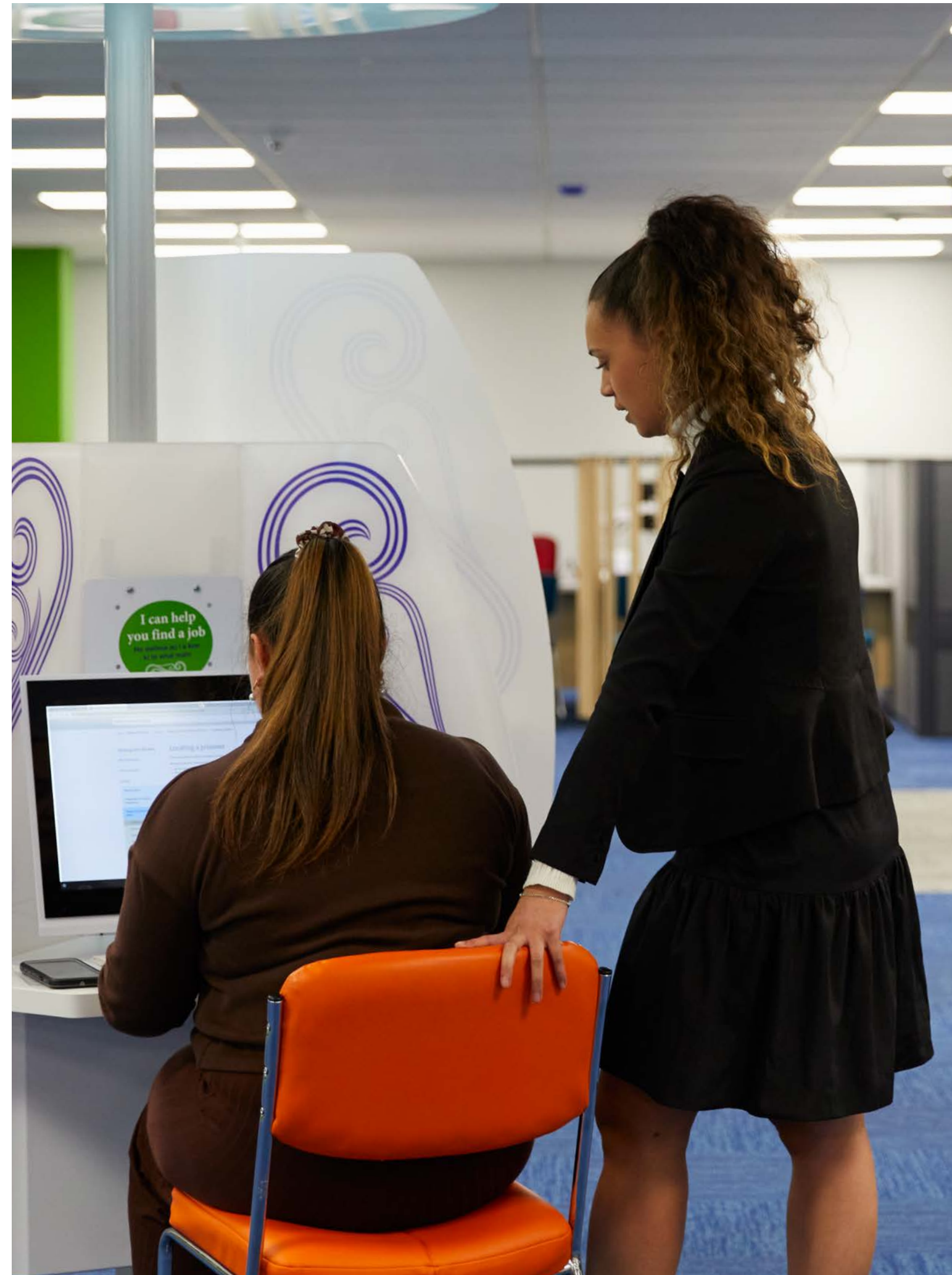
We are stronger when we work together with whānau, families, hapū, iwi, providers, employers, communities and other government agencies.

Kia takatū tātou

Supporting long-term social
and economic development



We will prepare ourselves for the future and take a long-term approach to community, regional and economic development. To improve employment outcomes, we will support people to acquire skills for current and future job markets.



Te Pae Tata Our Māori Strategy and Action Plan

We continued to implement Te Pae Tata, our Māori Strategy and Action Plan, and focus on mechanisms that would support the reduction of social inequities for Māori.

We have continued to develop and enhance our cultural capability through the engagements, relationships and partnerships we have with whānau, hapū and iwi.



Throughout 2021/22, in line with actions described in Te Pae Tata, we:

- Co-ordinated an extensive range of relationships and partnerships with iwi to develop workforce capability. We have joined with iwi and groups like Ngāti Toa in Wellington and Whānau Ora training in Christchurch to support Māori jobseekers into employment or training.
- Strengthened support for Māori, whānau, iwi, hapū and marae through the COVID-19 CiC welfare response.
- Established a Pouārahi which will be a leader or guide here at MSD. Our Pouārahi will help ensure we maintain the kawa and tikanga of our organisation.
- Introduced a Te Reo Māori Language Allowance for staff.
- Developed a new wānanga (educational sessions). The use of wānanga in this context is a forum to discuss, explore and deliberate ideas and solutions in MSD analysis and advising as a collective. This shared approach to teaching and learning helps to grow consistent, high quality learning that enables everyone to innovate for the purposes of Te Pae Tata Māori Strategy and Action Plan.
- Invested over \$6.5 million in building the capability of Māori providers across Aotearoa as part of the Community Wellbeing package so that they are better equipped to be able to respond to Māori. Fifty-two providers are being supported to obtain social sector accreditation. The support includes funding to enhance their strategic governance, improve their financial viability and sustainability, and develop their organisational technology.
- Strengthened our iwi-Crown relationships, working in partnership to implement the joint work programmes with Te Hiku and Ngāi Tūhoe iwi. This includes co-investing in initiatives to improve social development and wellbeing among Te Hiku and Ngāi Tūhoe iwi, hapū and whānau.

Pacific Prosperity Our Pacific Strategy and Action Plan

We have made significant progress against the actions outlined in Pacific Prosperity, our Pacific Strategy and Action Plan, by:

- Investing \$3 million to build the capability of Pacific providers. The Provider Capability fund has enabled the delivery of cultural capability training for our Pacific peoples, which has strengthened the delivery of culturally responsive services. Twenty-seven Pacific providers have been supported to obtain Level 3 social sector accreditation or higher.
- Investing a total of \$7.5 million allocated over two years to support over 500 Pacific community groups to respond to and recover from the impacts of COVID-19.
- Building genuine partnerships with Pacific providers and communities to deliver better services to Pacific peoples across Aotearoa, especially to support the COVID-19 response.
- Developing the Pacific Capability Framework to improve MSD's focus on things that matter most for Pacific peoples and guide where we put effort and resource.
- Working across the business to strengthen our strategic intentions with other government agencies to improve wider social and wellbeing outcomes for Pacific peoples.
- Continuing to support our Pacific families and communities to be safe and have improved wellbeing.



Ko ā mātau mahi katoa mō te whakatutuki me te whakaū i ngā putanga pai ake mō te iwi Aotearoa Everything we do is about achieving and securing better outcomes for New Zealanders

Through our strategic direction we seek to achieve three outcomes which drive us to change the way we work and work with others.

The next three sections showcase our key areas of work in 2021/22, which we undertook to help people reconnect or stay connected with important areas of their everyday lives and ensure that:

- New Zealanders get the support they require
- New Zealanders are resilient and live in inclusive and supportive communities
- New Zealanders participate positively in society and reach their potential.



E whakatūturu nei kia whiwhi tautoko te hunga o Aotearoa e hiahiatia ana

Ensuring New Zealanders get the support they require

Providing New Zealanders with the social services and support they are entitled to is at the heart of our work at MSD.

We want to ensure that all New Zealanders can understand and access the support services that are available to them when they need it, including financial and housing assistance.

Our work to ensure New Zealanders get the support they require in 2021/22 included:

- implementing policy changes to income supports, such as main benefit rates and hardship assistance, to increase the amount of income support available to people
- implementing a range of policy changes, such as removing the Subsequent Child Policy, to help make income support easier to access
- providing a range of economic supports, including the Wage Subsidy Scheme, Short-Term Absence Payment and Leave Support Scheme, to help soften the financial impacts of COVID-19
- improving debt management processes for our clients
- working with others to help people stay in their home or access suitable accommodation and connecting people with the support, skills and knowledge they need to acquire and successfully maintain a tenancy.



E heke haere ana te maha o ngā tāngata kei te whiwhi takuhe mai i te tau 2021

The number of people receiving main benefits has been decreasing since 2021

Over 2021/22, our focus on connecting people with employment opportunities has been a significant driver in our work and investments to support a reduction in the number of people receiving main benefits. At the end of June 2022, approximately 344,600 clients received a main benefit, around 10,100 fewer than last year.

We had expected that the COVID-19 pandemic would result in a significant, long-lasting increase in the number of people on a main benefit. By January 2021, the number of people on a main benefit reached a peak at approximately 390,000 and has been decreasing since, so that by July 2021 the number of clients on a main benefit had fallen below that of July 2020.

We have continued to maintain a strong focus on employment initiatives, with the support of investments such as the COVID-19 Response and Recovery Fund (CRRF). In 2021/22, we supported around 62,000 clients with active case management, and our employment-focused initiatives have resulted in record high numbers of working-age people moving off benefit into work (work-exits), with over 113,400 work-exits in 2021/22. As a comparison to years prior to COVID-19, in 2017/18 there were over 77,400 work-exits for clients, and in 2018/19 over 70,200 work-exits.

The decrease in main benefit numbers in the year to June 2022 was largely driven by changes in Jobseeker Support numbers. In June 2022, there were approximately 170,760 people receiving Jobseeker Support, a decrease from the approximately 190,260 people one year prior. This decrease reflects higher work-exits, as well as a number of policy changes we implemented to ensure that people are getting support that better addresses their needs and circumstances.

I whakatinanahia e mātau ngā huringa kaupapahere kāwanatanga hei whakanui ake i ngā tautoko moni whiwhi e wātea ana ki ngā tāngata katoa o Aotearoa

We implemented government policy changes to increase income support available to New Zealanders

Over the last year, we implemented several policy changes that the Government introduced to give individuals and families more financial support and more adequate incomes. This supports people to preserve their dignity, enable them to participate meaningfully in their communities and help them stay connected with important parts of the everyday lives while recovering from the effects of the COVID-19 pandemic.

Some of the key policy changes we implemented during 2021/22 include:

- implementing increases to main benefit rates
- adjusting income support rates and criteria to remove unintended effects of the benefit system
- removing the Subsequent Child Policy
- changing the assessment process for work capacity medical certificates.

On 1 July 2021 and 1 April 2022, main benefit rates were increased

In Budget 2021, the Government announced that main benefits¹⁴ would increase. On 1 July 2021, we implemented the first stage of these increases when we raised main benefits by \$20 per adult per week.

On 1 April 2022, we implemented the second stage by raising adult rates of main benefits to the levels recommended by the Welfare Expert Advisory Group, with an additional \$15 per adult per week for families with children. Youth rates of main benefits received the same dollar increase as the adult rates of the equivalent benefits.

Compared with 1 April 2021, main benefits have increased by between \$39.74 to \$62.35 per adult per week (or by between 13 to 30 percent). These increases include those announced in Budget 2021 and the April 2022 Annual General Adjustment.

We implemented changes to remove some unintended effects of the benefit system that were disadvantaging our clients

To ensure that our clients are not being disadvantaged by unintended effects of the benefit system, we implemented changes to income support rates. These changes included:

- a Transitional Assistance Payment for 12 months, to ensure no one who received a main benefit experienced less support
- increases to the Student Allowance and Student Loan living cost by up to \$25 per adult per week
- increases to the Orphan's Benefit and Unsupported Child's Benefit to remove a disparity with the Foster Care Allowance, and increases for all of these benefits by \$5 per child per week
- indexed Childcare Assistance income thresholds to average wages
- introducing the Birthday Allowance and Holiday Allowance for caregivers who receive an Orphan's Benefit or Unsupported Child's Benefit (these two new allowances give caregivers extra money towards a child's holidays and special events).

In November 2021, the Subsequent Child Policy was removed from the Social Security Act 2018

Previously, if someone had an additional (or 'subsequent') child while on a benefit, their obligations and eligibility would be based on their next youngest eligible child.

The change to remove the Subsequent Child Policy means we will now consider the age of the youngest child in someone's care when deciding whether they need to look for part- or full-time work, and if they're eligible for Sole Parent Support rather than Jobseeker Support.

¹⁴ Main benefits include Jobseeker Support, Sole Parent Support, Supported Living Payment, Young Parent Payment, Youth Payment, Emergency Benefit, Orphan's Benefit, Unsupported Child's Benefit and Emergency Maintenance Allowance. A list of benefits and payments is available at www.workandincome.govt.nz/products/a-z-benefits/index.html

This means that the age of the youngest dependent child in someone’s care will always be considered when determining:

- a person’s eligibility for Sole Parent Support
- the work, and work preparation, obligations for people who are receiving Sole Parent Support and partners of people on a main benefit.

This change, which makes the welfare system simpler and more equitable, has benefited 11,400 clients, including transferring 5,700 sole parents on Jobseeker Support to Sole Parent Support, while retaining full access to support to explore their work, training or study options.

We changed the process for assessing work capacity medical certificates

Work capacity medical certificates are now assessed using the advice recommended by a client’s health practitioner rather than using a mandatory reassessment period. We have also reduced the likelihood of clients experiencing an unintended gap in their income support by:

- notifying clients earlier about a medical certificate that is due to expire
- notifying clients when we receive a subsequent medical certificate from their health practitioner
- enhancing MyMSD so it explains to clients what to do when their medical certificate expires, which enables them to declare if they are ready to return to work
- extending the duration of a current medical certificate when a client cannot provide a subsequent medical certificate before their current one expires.

By allowing the medical review period to be based on the recommendation of the client’s health practitioner, we expect to reduce the pressure on the health sector with an estimated 20,000 fewer medical certificates needing to be processed each month.

Increasing support for immediate and essential dental treatment

Through Budget 2022, the Government is investing \$125.8 million to increase the support available to beneficiaries and low-income families for immediate and essential dental treatment.

From December 2022, the limit to Special Needs Grants for dental treatment will increase from \$300 to \$1,000, and this will not need to be paid back by recipients. In addition to this, the requirement for the need for treatment to have arisen from an emergency will be removed. This will help 40,000 to 50,000 people each year receive the dental treatment they need without being put into debt. People will also be able to receive this treatment before their issue significantly deteriorates or begins causing them pain.

E whakamāmā ana ki te toro i ngā tautoko moni whiwhi
Making it easier to access income support

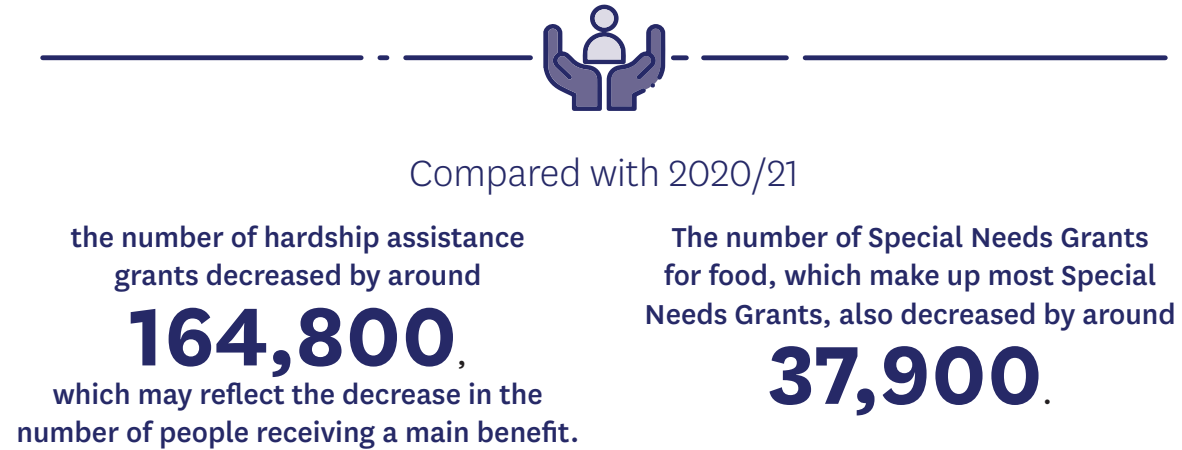
In 2021/22, we implemented changes that removed barriers to accessing income support and improved our processes so that our clients have a better experience when they engage with us. For our clients, this has ensured that they are aware of, can access, and are receiving all the income support they are entitled to.

We implemented temporary increases to income limits for hardship assistance

On 1 November 2021, the income limits for hardship assistance were temporarily extended to February 2022. Hardship assistance includes Special Needs Grants (SNGs), Advance Payment of Benefit and Recoverable Assistance Payments. To respond to the extended COVID-19 restrictions the Government extended the duration of increased income limits for hardship assistance for a further four months, up to 30 June 2022.

This temporary increase meant more individuals and families on a low income could meet their immediate and essential costs as they were responding to, and recovering from, the resurgence of COVID-19. Permanent changes to income limits were also made through Budget 2022 to help with the immediate and essential living costs of low-income individuals and families.

Overall, the amount of hardship assistance provided increased, while the volume of grants decreased



Despite the fall in hardship assistance grants, the amount spent on hardship assistance payments increased in 2021/22 (\$900 million), compared with 2020/21 (\$857.5 million). The main reasons for this are that Emergency Housing SNGs have increased and clients are spending longer in Emergency Housing. This may reflect the ongoing high cost of rental accommodation and pressures on the housing market.

Through Budget 2022, the Government is investing \$42 million to improve housing-related financial assistance for housing insecure and low-income New Zealanders.

The funding will ensure one-off housing-related financial assistance is accessible, equitable, adequate and easier to understand. This will serve longer-term goals of preventing homelessness and contributing to a reduction in the number of households requiring emergency, transitional and public housing.

I mahi mātau me ētahi atu tari ki te whakapai ake i te whakahaerenga nama mō ngā kiritaki
We worked with other agencies to improve debt management for mutual clients

By 30 June 2022, the total debt balance owed to MSD was \$2.195 billion (2021: \$1.995 billion). While we have a legislative duty to take all reasonable steps to recover debt, our overall approach is to support people to manage their debt in a sustainable way. To achieve this we look at a debtor’s whole situation, their ability to repay – now or in the future – and assess whether they are eligible for more support or services.

As part of the Debt to Government work programme, this year we worked with other government agencies to improve how we can help our clients reduce their debt to us and how we manage debt.

One example of this work is MSD and Te Tari Taake – Inland Revenue Department (IRD) testing a joint phone-based service for people who have debt with both our agencies. This service helped people meet their debt obligations in a way they could sustain, while ensuring they receive what they are entitled to.

We tested this service from April 2021 to March 2022 and evaluated it in June 2022. It has given us valuable insights into how we engage with debtors and the benefit of understanding, and responding to, their individual circumstances.

At 20 June 2022:



MSD had funded

26

young people to work
in the IT sector in
Christchurch

Industry partnership programme leads to success for Michael

Michael, a 21-year old data services engineer from Rangiora, says he feels both “humbled” and “positive” after building a successful career as the result of one of MSD’s Industry Partnerships with Computer Concepts Ltd (CCL), a leading Christchurch IT company.

Michael was on Jobseeker Support when he signed up to complete the Limited Service Volunteer programme in 2019.

Following this, with help from his MSD work broker, Mike Dowds, he received funding to start work with Canterbury’s leading Mana in Mahi employer, CCL.

Since starting at the company two years ago, Michael has completed certificates in system administration and coding and eventually hopes to achieve the prestigious status of ‘Red Hat Certified Architect’.

Manager of Delivery Optimisation, Amy Downes, said Michael started as a service desk engineer, but within weeks had advanced onto the completion assurance queue. CCL is one of our largest providers for the Mana in Mahi programme and provides end-to-end IT management, cloud platforms and technology services.



Michael

Tata ki te \$4.8 piriona i tukuna e mātau ki Ngā Utu Moni Āwhina i te noho rāhui o te Ākuhata 2021, hei tautoko i ngā mahi neke atu i te 1.3 miriona

We provided nearly \$4.8 billion in Wage Subsidies in the August 2021 lockdown, to support over 1.3 million jobs

In 2021/22, we continued to deliver COVID-19 payments to support businesses during elevated Alert Levels, as well as help for those who needed to self-isolate at home due the pandemic.



We have provided:



The Wage Subsidy Scheme has enabled rapid support for thousands of New Zealand businesses during a time of uncertainty and ensured that employees were able to remain connected with their employers during the COVID-19 lockdowns. The schemes were set up on a high-trust model, to deliver funds quickly to support workers, families and businesses.

In August 2021, New Zealand went into an Alert Level Four lockdown. The COVID-19 Wage Subsidy Scheme August 2021 was set up and delivered in response, for employers and self-employed people who would otherwise have had to lay off staff or reduce their hours due to COVID-19. The COVID-19 Wage Subsidy Scheme (August 2021) was a series of fortnightly wage subsidies available for 16 weeks, from 20 August 2021 until 9 December 2021. Each COVID-19 Wage Subsidy Scheme August 2021 payment to eligible employers covered a two-week period at the rate of \$600 a week for each full-time employee (20 hours or more per week) and \$359 a week for each part-time employee (less than 20 hours per week). As at 25 February 2022, payments under the COVID-19 Wage Subsidy Scheme August 2021 totalled nearly \$4.8 billion, to support over 1.3 million jobs.

The COVID-19 Leave Support Scheme (LSS) helped employers pay their employees who were required to self-isolate because of COVID-19 and were unable work at home during that period.

¹⁵ Date of recent public reporting on the total Wage Subsidy Scheme August 2021 payments made.

¹⁶ These figures for COVID-19 Leave Support Scheme payments and Short-Term Absence Payments are cumulative from 10 December 2021. From this date, the COVID-19 Leave Support Scheme and the Short-Term Absence Payment were the key COVID-19 support schemes available for employers, following the end of the COVID-19 Wage Subsidy Scheme August 2021 on 9 December 2021.

The scheme paid a flat rate of \$600 for full-time workers, and \$359 for part-time workers, and was paid per employee for a period of at least four consecutive days of self-isolation. Payments were also available for self-employed people.

In February 2021 the Government introduced a Short-Term Absence Payment (STAP), a one-off payment of \$359 to help businesses to pay staff who were off work and unable to work from home while waiting on a COVID-19 test result. The payment was also available when an employee had to stay at home because they had a dependent or other household member who was staying at home awaiting a test result or they were a secondary contact.

As at 1 July 2022, since introduction we have paid out nearly \$572 million in total through various Leave Support Schemes for nearly 379,000 approved applications.¹⁷ \$44 million was paid out in total through STAP for nearly 72,000 approved applications.¹⁸ During the peak of the Omicron outbreak, \$44 million was paid out through the COVID-19 Leave Support Scheme and over \$4 million through STAP in one week.

Overall, we have received and processed just over 3 million applications across the various schemes since March 2020. The average time to process was 2.19 working days as at year ending June 2021 and 2.31 working days as at June 2022. This increase in average time to process reflects that when New Zealand was in lower COVID-19 Alert Level or traffic light settings, applications for LSS and STAP were manually processed, which took longer.

Some applicants did wait longer than the average time for payment. In these instances, the delay was as a result of information in the application not matching the information held by IRD. In some cases, staff found it difficult to contact applicants to discuss the mismatch of information which further delayed the processing of the application.

The table below outlines the average processing time across all the COVID-19 economic support schemes:

Scheme	Financial year ending	
	June 2021	June 2022
	Average number of working days	Average number of working days
Leave Support Schemes	4.82	1.98
Short-Term Absence Payment	1.87	2.12
Wage Subsidy Schemes	2.19	2.41
Total	2.19	2.31

¹⁷ These figures are cumulative from 17 March 2020 and include the COVID-19 Leave Support Payment, Essential Workers, the COVID-19 Leave Payment and the COVID-19 Leave Support Scheme. The COVID-19 Leave Payment Scheme was the original scheme which was introduced on 17 March 2020.

¹⁸ These figures are cumulative from 9 February 2021, the date that the short-Term Absence Payment became available from.

Integrity programme for COVID-19 economic supports

Wage Subsidies have been enormously successful in supporting New Zealand businesses and jobs since March 2020. As at 1 July 2022, a total of over \$19.4 billion in economic supports had been paid out to employers and self-employed people to help keep people in work during periods of elevated Alert Levels.

These payments were made in a high-trust environment with Cabinet agreement, noting that MSD would have some ability to verify information after the payments had been made. In 2021/22, we have continued to build on our integrity programme for the Wage Subsidy Schemes with the support of Hikia Whakatutuki – Ministry of Business Innovation and Employment (MBIE), IRD and Te Tai Ōhanga – the Treasury.

Although there have been no Wage Subsidy Schemes active since 10 December 2021, we continue to provide assurance around application integrity through the resolution of complaints, progressing ongoing investigations and taking enforcement action where appropriate, and by undertaking post-payment integrity checks based on risk.

Since the Wage Subsidy began, we have engaged with thousands of applicants through our integrity processes. As at 1 July 2022, the integrity processes have contributed to \$801 million in voluntary and requested Wage Subsidy repayments being made, with around \$73 million received in the 2021/22 financial year.

Many businesses have voluntarily refunded subsidies when their eligibility changed or because revenue was better than expected. In many cases where entitlements have been wrongly claimed, it has been the result of an honest misunderstanding about eligibility criteria rather than a deliberate attempt at deception.

We continue to review and investigate applications where potential fraud or an incorrect payment have been identified. Enforcement options include prosecution and/or seeking civil debt recovery. Following a decision to take civil debt recovery, we provide one last opportunity to engage about repayment before enforcement action is taken. By 30 June 2022, we had made:

- prosecution decisions in relation to 21 individuals, of which charges for 16 had been filed in court
- civil recovery decisions in 13 cases, of which two had been filed in court and four have been repaid or have debt repayment arrangements in place.

In May 2021, a report on the Management of the Wage Subsidy Scheme by the Office of the Controller and Auditor-General Te Mana Arotake acknowledged the extraordinary circumstances facing the Government when it created and implemented the Wage Subsidies and other COVID-19 payments. The report noted that many of the steps taken by MSD to protect the integrity of the Wage Subsidy were consistent with good practice guidance for emergency situations. We have taken the recommendations of the report into account in our approach to managing later iterations of the Wage Subsidy.

Over the 2022/23 financial year we will continue to focus on ongoing Wage Subsidy investigations and enforcement action. In addition, we are completing post-payment integrity work focused on the March and August 2021 Wage Subsidy Schemes, with reviews informed by risk analysis conducted with Inland Revenue. In line with a recommendation from Audit New Zealand, we are also completing an assessment of Wage Subsidy integrity work completed to date and still required. The Ministry continues to commit integrity staff resources to Wage Subsidy integrity work, balancing this against integrity work for the benefit system.

Supporting Auckland's Pacific community during the Delta wave

“E fofo e le alamea le alamea – the solutions for our problems lie within our own communities.”

When the Delta strain of COVID-19 hit Auckland's Pacific community in August 2021, it proved to be a positive catalyst for a change in the way MSD and social service providers work together to deliver community services.

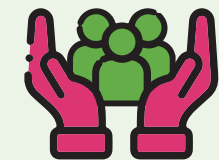
It led to greater collaboration between government agencies and Pacific providers, enabling positive, sustainable outcomes for Pacific families and communities in Auckland, and eventually all across the motu. The response was led by local providers, co-ordinated regionally, and supported nationally by MSD, whose role it was to provide a flexible environment that allowed the organisations on the ground to get on with the necessary mahi.

MSD's Māori, Communities and Partnerships group contributed hugely to this change, consulting widely with providers, and setting up a two-way engagement that had a positive effect within hard-to-reach communities. This was primarily achieved through the newly established Leo Tanoa specialised case management service involving MSD staff of Pacific culture, worldview and language. They understood their communities and families and worked directly with providers to ensure people were getting the appropriate benefits and support, winning the trust of Pacific people who felt respected and responded positively to being spoken with in their own reo.



Pacific provider South Seas Health Care Trust during the Delta outbreak

For eight weeks between August and October 2021 South Seas Health Care Trust, working with around 70 local providers, provided:



food and voucher support to

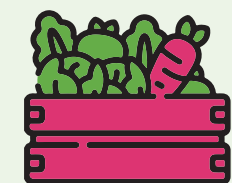
49,000

people and
9,046
families



7,900

vouchers



37,665

food packs



221,424

face masks

I āwhina mātau i ngā tāngata kia noho tonu ki ō rātau kāinga, te toro atu rānei ki ngā wāhi noho tōtika

We helped people stay in their homes or access suitable accommodation

We provide a range of housing support services and work with Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development (HUD) to help individuals and families in need of housing support.

Our housing support responsibilities include:

- providing housing support services, programmes and case management to people in need through our Service Delivery group and community providers
- managing the Public Housing Needs Assessment
- managing the Public Housing Register of applicants for public housing
- working with HUD, who manage public housing supply, to develop policies on public housing, transitional housing and Emergency Housing
- providing access to Emergency Housing through the Emergency Housing Special Needs Grant (EH SNG)
- calculating and reviewing Income-Related Rent for public housing tenants (ie, the amount of rent they have to pay, based on their income).

Increasingly, we have made sure that our staff are available to meet clients in settings that work best for them, such as locations where MSD co-locates with other organisations, including Kaupapa Māori settings. For example, we co-locate with the Auckland and Wellington City Missions, with iwi and at marae, where we provide case management, assess people for public housing and help clients access their entitlements.

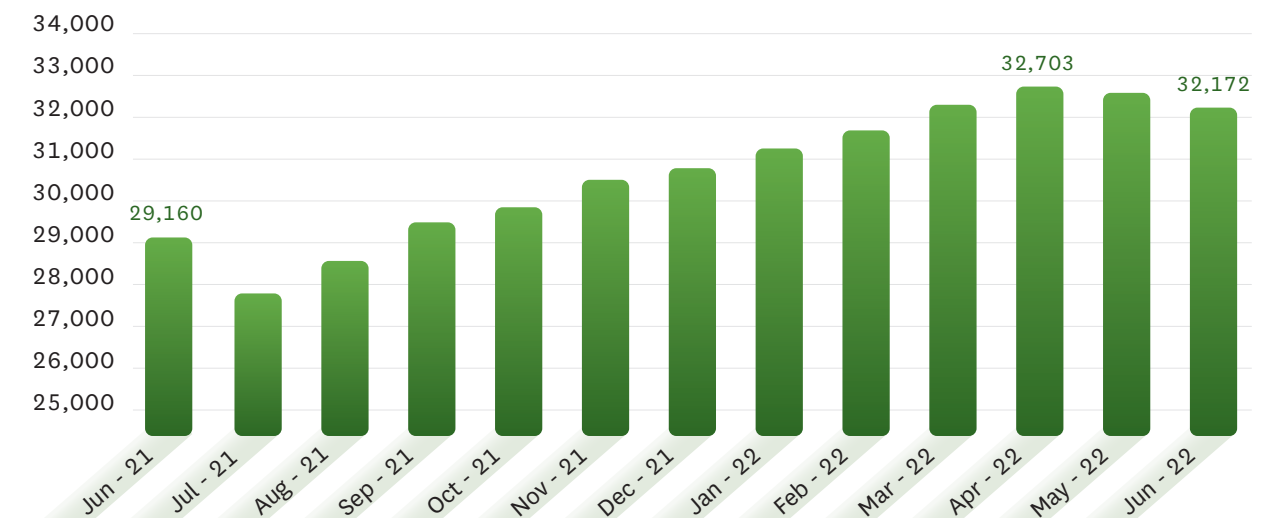
Helping people access public housing

We manage the Public Housing Register, which includes the Housing Register and the Transfer Register.¹⁹ The Housing Register contains applicants not currently in public housing who have been assessed as eligible and who are ready to be matched to suitable accommodation. The Transfer Register contains applicants already in public housing who need to be rehoused for reasons such as too few or too many bedrooms in their current public house, or for health reasons. Applicants for the Housing Register are assessed as either Priority A clients (with a severe and persistent housing need that requires addressing immediately) or Priority B clients (with a significant and persistent housing need).

As at 30 June 2022, there were 32,172 applicants on the Public Housing Register, an increase of 3,012 applicants (or 9 percent) since 30 June 2021 (see Figure 1). There are a number of drivers for this increase, including lack of affordable housing options and high market rental prices. Public housing offers affordability (rent is related to income levels rather than fixed) and security of tenure, which is not available to many households who are privately renting.

To improve our service to clients on the Public Housing Register we use case management engagement, particularly for people in Emergency Housing.

Figure 1. Monthly Public Housing Register June 2021 to June 2022



Through Budget 2022, the Government is investing, over \$11.7 million over four years to improve support for clients on the Public Housing Register. This funding will enable us to contact people regularly to assess their housing needs, have up-to-date information, improve our work with housing providers to help people access more suitable accommodation based on their needs, and improve wellbeing for people in need of housing assistance.

Helping people access Emergency Housing

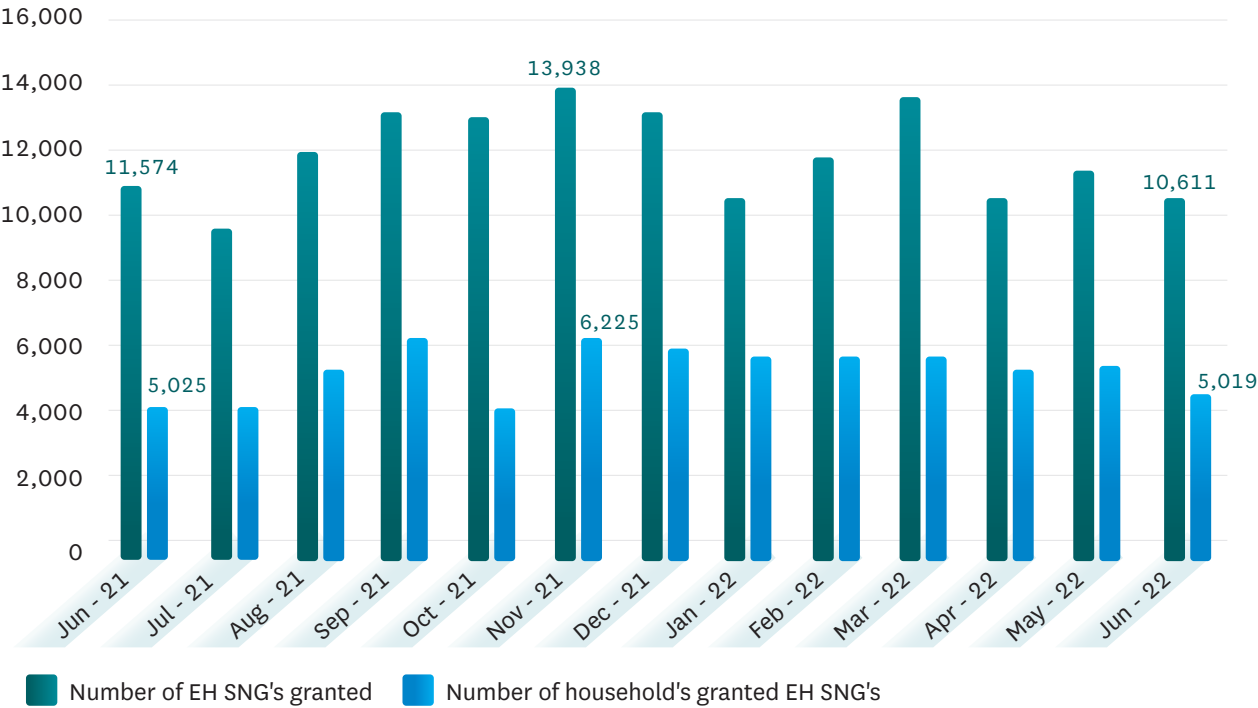
We help New Zealanders access warm, dry, secure temporary accommodation when they have nowhere else to stay. This may include:

- supporting people to stay with whānau
- helping people access private rental accommodation, public housing, transitional housing or contracted Emergency Housing
- or (as a last resort) giving people an EH SNG and referring them to support services.

Emergency Housing is short-term accommodation, usually in a motel. In the past 12 months, we spent \$393.1 million on EH SNGs for around 5,000 individual households each month (see Figure 2). The highest number of EH SNGs issued this past year was in November 2021. Since then, the number has decreased (see Figure 2).

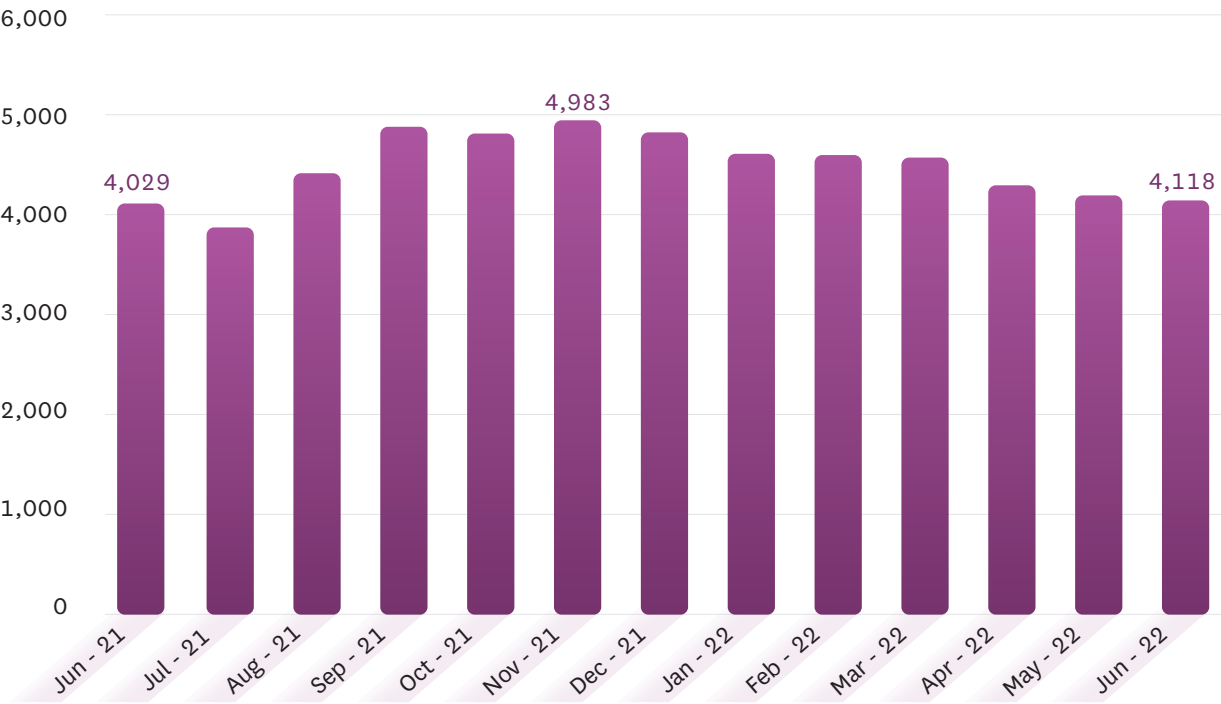
¹⁹ Our reporting on the Housing Register and Transfer Register is available at www.msd.govt.nz/about-msd-and-our-work/publications-resources/statistics/index.html

Figure 2. Emergency Housing Special Needs Grants issued between June 2021 and June 2022



Every client in Emergency Housing (see Figure 3 for number of households in Emergency Housing in 2021/22) has a dedicated case manager who helps them access MSD support while they are in Emergency Housing, including our housing support services, income support services, and employment and training opportunities, which will put them in a better position to sustain a future tenancy.

Figure 3. Number of households in Emergency Housing at the month end between June 2021 and June 2022



Supporting people in Emergency Housing through the New Zealand Homelessness Action Plan

We work with HUD in supporting the Government to achieve its goal of preventing homelessness, or ensuring it is rare, brief and non-recurring through the Homelessness Action Plan 2020-2023 (HAP).²⁰ We work with community organisations, councils, iwi and other agencies to support people in Emergency Housing while they look for long-term accommodation.

Over the past three years, we have received around \$100 million through the HAP to enhance services for over 1,200 homeless clients each year. These services include providing people with more intensive support, using housing brokers to help them look for and negotiate housing, and giving them the skills they need to sustain rented accommodation through the Ready-To-Rent Programme.

Since the HAP was rolled out there has been a significantly higher demand for housing support. This has meant that we have had to focus our funding on whānau with the most urgent needs, prioritising whānau with tamariki and those with high and complex needs.

As the HAP funding ends on 30 June 2023, we have evaluated these enhanced services. This has given us insights we can use to improve the services and outcomes for our clients. We have shared our learnings with the Emergency Housing System Review under way in financial year 2022/23. This review will contribute to the re-design of the Emergency Housing System, including the EH SNG, and the supply of accommodation and housing support services.

Taking proactive measures to support those in Emergency Housing and reduce the need for it

In every region in New Zealand we contract a community provider to offer the Ready-to-Rent Programme. The Ready-to-Rent Programme is for people in Emergency Housing or on the Public Housing Register. It helps by giving them the skills and knowledge they need to acquire and successfully maintain a tenancy.

Between April to June 2022, our contracted community providers ran 30 courses. Feedback from the providers indicates our clients and landlords value the programme, and that it is making a tangible difference to combating discrimination.

²⁰ See www.hud.govt.nz/our-work/aotearoa-new-zealand-homelessness-action-plan-2020-2023/

Housing brokers helped people secure private rental accommodation

People on a low income, or in Emergency Housing, find it more difficult to gain a stable home in the private rental market. This is partly because MSD clients are often seen as high-risk tenants, even when they have our support to meet their housing costs and sustain a tenancy. Other factors that contribute to this inequity are the affordability of rental accommodation and a lack of information on how to access, secure and navigate the rental housing system.

We have housing brokers in every region who help our clients overcome these barriers by connecting with landlords and property managers and building their confidence to rent property to MSD clients, and matching clients with suitable housing.

In the past 12 months, our housing brokers helped over 1,300 households access private rental accommodation. Over 950 of these households were in Emergency Housing and 430 were prevented from needing it.

Te Arawa Iwi and Te Pokapū (The Hub) supported children in Emergency Housing

In Rotorua we work with local iwi, community partners (such as Te Taumata o Ngāti Whakaue Iho Ake), the District Health Board (DHB) and other agencies to provide a holistic triage and assessment service for people experiencing housing distress.

Te Pokapū is a community-led housing hub that has supported over 300 whānau with tamariki in Emergency Housing in Rotorua. Our case managers work with Te Pokapū staff to prevent homelessness by connecting people with appropriate services and triaging those who need it into temporary accommodation.

We are contributing what we have learnt from this community-driven approach to the Emergency Housing System Review.

The Flexible Funding Programme (Flexifund) was used to support the wellbeing of children and help them stay in school

In the past year, we spent \$1.8 million on the education and wellbeing of children in Emergency Housing through the Flexifund. This has enabled children to stay at the same school and pursue their normal activities. Examples of what we have used this fund to pay for are:

- children to attend after-school programmes and activities
- education programmes during school holidays
- providing education support packs for pre-schoolers and school-age children in various locations.

Tarun helps whānau out of emergency housing into a home

A mother and her two children in Otahuhu became homeless after a family disagreement. The whānau was referred to housing broker, Tarun Handa, to help them find a home as they were struggling to do so on their own, having had no experience of the rental market and with no references.

Quickly connecting with the family, Tarun moved them into emergency housing and began searching for a private rental.

Although challenging under Level 3 Covid restrictions because housing viewings were limited, Tarun found the family a home within two months.

After securing the house through Tarun, the client was also able to secure a stable job.

“Securing the tenancy and the job added stability to the life of this whānau. It has boosted her self-confidence and she is now employed, with MSD continuing to help with the accommodation supplement,” Tarun says. The client is pleased with where she is at.

“We’re so happy and excited for our future, as my kids have a place to call home and some outdoor space to run freely. Thank you from the bottom of my heart for making what seemed impossible as a solo mother possible,” she said.



“Securing the tenancy and the job added stability to the life of this whānau.”

Tarun



MSD Housing Broker, Tarun



Te whakarite kei te pakari te iwi o Aotearoa, ā, e noho ana i roto i ngā hāpori manaaki me te tautoko

Ensuring New Zealanders are resilient and live in inclusive and supportive communities

As the leading social sector agency for all New Zealanders, we recognise the diversity of the people, whānau, and communities we serve, and we are committed to improving their wellbeing.

To achieve this, we are improving New Zealanders' access to skills, tools and resources to help them to respond better to the challenges in their lives. We also work with others to ensure that communities are inclusive, supportive, safe and well-equipped to meet the needs of individuals, families and whānau.

To ensure New Zealanders are resilient and live in inclusive and supportive communities, our work in 2021/22 included:

- leading the cross-sector Care in the Community (CiC) welfare response to ensure people were supported and remained connected with their communities while isolating or at home due to COVID-19
- maintaining our Crown-Treaty relationships
- collaborating in joint ventures with other government agencies, organisations and Māori, Pacific and former refugee and migrant communities to strengthen our work to keep communities safe and eliminate family violence (FV) and sexual violence (SV)
- addressing historic experiences of abuse and neglect in state care
- advocating for the interests and wellbeing of children and young people in the state care system
- advocating for people caring for family and whānau
- improving social cohesion in New Zealand
- ensuring the safety of social services being delivered to New Zealanders.

E ārahi ana mātau i te urupare oranga o te Manaaki i roto i te Hapori i waenga rāngai hei tautoko i ngā tāngata o Aotearoa e noho taratahi ana nā te KOWHEORI-19

We led the cross-sector Care in the Community welfare response to support New Zealanders self-isolating due to COVID-19

On 22 November 2021, Cabinet agreed that MSD would lead the co-ordination of the Care in the Community (CiC) welfare response²¹ while the Ministry of Health focused on the health response. The CiC welfare response is a locally led, regionally enabled and nationally supported approach that helps people remain safe, supported and connected while isolating due to COVID-19.

Supporting the cross-government welfare response involves working with government agencies, local councils, community providers and leaders, iwi, Māori, Pacific and ethnic communities, and the disability sector. Government funding and partnerships between regional leadership structures and communities allow for the welfare response to be delivered in a way that is effective and tailored to local needs.

In 2021/22, the CiC welfare response included:

- a dedicated contact centre team to respond to referrals to support people’s needs and to those who required one-off assistance (eg, food packs)
- a regional and locally co-ordinated triage and response team to co-ordinate referrals to local services and providers
- an online application channel
- relationships with local community providers to ensure the effective triage and delivery of support directly to whānau at home.



By 3 July 2022, we had received nearly

146,000

referrals for welfare support through the CiC welfare response.

We supported more community providers, connectors and organisations to increase their capability and capacity to meet the ongoing needs of individuals and whānau

Based in non-governmental organisations (NGOs) across the country, the Community Connectors we support offer flexible support to individuals and whānau by connecting them with help and services and paying for immediate costs that are affecting their wellbeing.



During 2021/22, we expanded the Community Connection Service

from **141** to **500**
Community Connectors

and the number of community providers hosting Community Connectors

from **113** to **261**.

Community Connectors were hosted within a range of community providers, including those that support Māori, Pacific, ethnic and rural communities, tāngata whaikaha and older people.

To ensure an effective response to the needs of communities, we enabled a high-trust funding environment that strengthened our relationships with community providers and organisations. We funded over 300 community groups, including hapū, marae, churches and sports groups, to lead initiatives to support communities, especially priority populations, to rebuild and recover from the impacts of COVID-19.

Alongside the Ministry of Health, we supported Te Puni Kōkiri – Ministry of Māori Development and Te Arawhiti – The Office for Māori Crown Relations to distribute \$130 million of the Māori Communities COVID-19 fund to complement the CiC welfare response.

We funded Regional Leadership Groups (RLGs) to oversee the planning, alignment and delivery of the CiC welfare response through existing partnerships at the regional level, including specific funding to enable iwi participation. We also provided resourcing for Regional Public Service Commissioners (RPSCs) to support the RLGs and lead the co-ordination of the public service contribution to the CiC welfare response and the COVID-19 Protection Framework more broadly.

21 See www.msd.govt.nz/about-msd-and-our-work/covid-19/care-in-the-community-welfare-response/index.html

We supported foodbanks and community food organisations to meet community food needs

Our Food Secure Communities Programme²² was adapted to provide extra support to meet the additional demand on foodbanks and community food providers due to the impacts of COVID-19. We also increased our support for community food infrastructure, including regional food hubs and food networks.

We were well placed to respond to the increase in community food needs experienced during the Omicron outbreak in New Zealand due to our past investment in increasing the capability and capacity of the community food-distribution network. This investment included funding national community food umbrella organisations to distribute community kai across the country.



As at 30 June 2022:

<p>we had provided</p> <p>\$98.3m</p> <p>in funding</p>	<p>to support</p> <p>301</p> <p>community food providers</p>	<p>to deliver over</p> <p>548,000</p> <p>food packs to people self-isolating due to COVID-19.</p>
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In addition to supporting the CiC welfare response, we have also invested in pilot initiatives focused on enabling communities to have better access to affordable, safe, nutritious and culturally appropriate kai. These initiatives aim to reduce the number of whānau needing food assistance in the future.

Our frontline services, alongside support through community providers, ensured that whānau received support while at home

During the Omicron response we diverted some of our workforce to support the locally led delivery efforts by community providers and other partners who were providing most of the response on the ground, to ensure that whānau received the support they needed. This included our Centralised Services teams who supported the processing of applications for welfare supports, our dedicated 0800 number, and our national and regional triaging teams. We also staffed a National Contact Tracing System (NCTS) team. The NCTS process was integrated with the Ministry of Health's health response. Our team was responsible for making updates in the NCTS based on services that agencies had provided to people.

²² See www.msd.govt.nz/what-we-can-do/community/food-secure-communities/index.html

We supported the CiC welfare response with data and analytics

To support the CiC welfare response, we developed weekly regional and national reporting on the characteristics and needs of people accessing CiC welfare support. We also rapidly developed weekly reporting on the support Community Connectors and food providers provided locally. This helped us share information, respond to demand across the country and ensure we provided the right support in the right area.

We also made the locations of funded CiC providers available to the public²³ to provide visibility about where support is available. To support accessibility we published this information in multiple formats, including interactive maps.

We evaluated the welfare response in 'real time' to understand how it was working and opportunities for improvement. We are also undertaking longer-term research and evaluation work to identify key lessons and understand how COVID-19 may affect people's wellbeing over time.

We also supported iwi to understand more about people requesting support through the CiC model. Following agreement at the National Iwi Chairs Forum we used the Te Whata data platform to collect and share information with iwi. Te Whata is a data platform tailored specifically by iwi for iwi and gives them the ability to create their own narratives according to their own priorities and world-views. This agreement is part of ongoing work to enhance how we share data with iwi.

²³ See www.msd.govt.nz/about-msd-and-our-work/covid-19/care-in-the-community-welfare-response/find-a-provider.html

Te whakakaha i te pātuitanga me ngā iwi

Strengthening our partnerships with iwi

We partner with iwi/Māori on a number of Treaty settlement commitments and partnership agreements that are aimed at improving wellbeing for Māori. Te Hiku o Te Ika Iwi-Crown Social Development and Wellbeing Accord, and the Ngāi Tūhoe Service Management Plan, are two key areas of joint work that we supported in 2021/22 as a Crown lead agency.

Te Hiku o Te Ika Iwi-Crown Social Development and Wellbeing Accord

In 2021/22, we supported the Te Hiku joint work programme to meet the economic and social wellbeing needs of whānau. Activities have included:

- supporting employment and education opportunities such as TUPU – an iwi and industry-led training to work initiative to create long-term sustainable learning and employment opportunities in the horticulture sector
- supporting the improvement of infrastructure to enable people to participate more broadly in work, recreation and society, through programmes such as Puna Waiora, which supports the water needs of whānau and provides work opportunities for local Te Hiku businesses
- supporting procurement equity and digital connectivity and capability across marae, whānau, iwi and hapū roopu through the use of technology
- exploring ways to address housing issues (eg, papakāinga options).

The letter of intent on behalf of Crown agencies with the Te Hiku Iwi Development Trust was signed in April 2022 to signal the Government's ongoing support and commitment to future resourcing, and to develop a mechanism for a more integrated approach to commissioning and funding.

Through Budget 2022, the Government is investing \$6 million to enable Te Hiku Iwi to build capability to work with their whānau and to address long standing wellbeing issues, including delivering locally tailored solutions. This will contribute to the achievement of a shared vision that the communities, whānau, hapū and iwi of Te Hiku are culturally, socially and economically prosperous.

Ngāi Tūhoe Service Management Plan

We are the lead agency in a multi-agency social accord Service Management Plan, with Ngāi Tūhoe (Te Uru Taumatua). A recommitment to the accord was signed in July 2021 called He Tapuae.

Ngāi Tūhoe and Crown agencies are working together to identify the mutual priorities for resourcing the implementation of He Tapuae.

Two key projects that the accord is already contributing to are:

- the development of an Eco Village – a self-sustainable village built with environmentally conscious materials on Ngāi Tūhoe land
- the Road to Nature project – a science-based infrastructure project to resurface a largely unsurfaced section of State Highway 38 running through Te Urewera, with innovative eco-friendly sustainable materials.

Through Budget 2022, the Government is investing \$3 million towards Ngāi Tūhoe and the Crown working together to develop a strategic pathway to improve the housing, health, education, social support and development of Ngāi Tūhoe.

Supporting the Waitangi Tribunal Kaupapa (Thematic) Inquiries

We worked with other agencies to hear and respond to claimants' lived experience in the Waitangi Tribunal Kaupapa (Thematic) Inquiries,²⁴ including the Housing Policy and Services Inquiry (Wai 2750) and the Disability Phase of the Health Services and Outcomes Inquiry (Wai 2575). The Emergency Housing Review and the recommendation for an independent Māori Health Authority are two key pieces of change arising in part from the Inquiries that we have supported.

Through the Kaupapa (Thematic) Inquiries we have gained better insights into the lived experience and views of claimants.

The Office for Disability Issues (ODI) has been involved in the Crown response to the Waitangi Tribunal Health Services and Outcomes Inquiry. ODI has been working closely with our Māori, Communities and Partnerships team, Disability Policy team and Legal team. There have been two hearing weeks to date, with an expected nine weeks of hearing over the remaining 18 months. ODI has reviewed evidence briefs and provided subject matter expertise to the Crown, particularly on the New Zealand Disability Strategy.

²⁴ See <https://waitangitribunal.govt.nz/inquiries/kaupapa-inquiries/>

I taunaki mātau mō te haumarū me te oranga o te iwi o Aotearoa i roto i ō rātau hapori

We advocated for the safety and wellbeing of New Zealanders in their communities

We support communities to be inclusive, supportive and free from violence. We want people who have experienced harm or do not feel safe to know that help is available and to understand where they can get it.

Te Aorerekura – the 25-year national strategy to eliminate family violence and sexual violence

As part of the Joint Venture Te Puna Aonui, we have worked with other government agencies to develop, launch and start implementing Te Aorerekura: National Strategy to Eliminate Family Violence and Sexual Violence²⁵ (Te Aorerekura), which was published in December 2021. Our work in implementing this has included:

- Improving the 'Are You OK' website²⁶ and creating other tools to enable people to better recognise family violence (FV), provide safe information and support, and access specialist services.
- Supporting community-led initiatives, including E Tū Whānau. This a strengths-based Kaupapa Māori movement for achieving whānau wellbeing and preventing all forms of violence, especially against wāhine and tamariki Māori, but also inspires and supports former refugee and migrant communities.
- Completing the regionally led design of a whānau resilience concept to provide families with long-term support to heal and live free from violence, and embedding the concept into services.

²⁵ See www.tepunaonui.govt.nz/national-strategy/

²⁶ See <https://www.areyouok.org.nz/>

Kahukura: community leaders leading transformational change for whānau

E Tū Whānau is a Māori-led kaupapa that supports long-term positive change for whānau to become strong, safe and prosperous. Through building trusted relationships with communities that empower them to design and lead their change, this kaupapa is centred on whānau strength and wellbeing.

Strong leadership is a key strategy within E Tū Whānau and a key factor in supporting communities to mobilise for change. E Tū Whānau community leaders are known as kahukura – ie those who effect change by modelling values, behaviours and actions that leave positive 'footprints' for others to follow.

The term 'kahukura' was gifted to E Tū Whānau by kaumātua of the Iwi Chairs Forum. It describes the lead bird in a swirling mass of kuaka (bar-tailed godwits), providing the impetus for movement and change. As kahukura move in a group, they allow other leaders emerge.

Eleven exceptional kahukura who are creating hope and changing lives through inspirational leadership within communities across Aotearoa were honoured and celebrated at the inaugural E Tū Whānau Ann Dysart Kahukura Award 2022 ceremony.

"E Tū Whānau has worked alongside these extraordinary kahukura for years," says E Tū Whānau Kaiwhakahaere, Heni Turner. "Through their determination and belief in the strength and power of whānau within their communities, they have changed and enriched people's lives."

Held at Waiwhetu Marae in June 2022, the Kahukura ceremony included kapa haka and waiata, and culminated in the presentation of the E Tū Whānau Ann Dysart Kahukura Award to the Waitomo Papakāinga Development Society, whose strategies have successfully kept rangatahi Māori culturally, physically and emotionally safe while influencing politicians and legislators, and opening doors for other iwi and NGOs to do the same.

"Nothing is done by an individual, and a kaupapa is not done by an individual. I'm so proud to say that Ann Dysart was instrumental in helping us to create the vision to move forward into a place that has no violence for whānau. Nō reira tēnā ra koutou katoa," says Katie Murray, Waitomo Papakāinga Development Society Chief Executive, on receiving the award.



Rima Witanga, Memory Taraeka, Mervyn Rawiri, Katie Murray (Waitomo Papakāinga CE), Elle Ruapapera, Rita Greaves and Eva Trebilcock after winning the E Tū Whānau Ann Dysart Kahukura Award 2022

"E Tū Whānau has worked alongside each and every one of these extraordinary kahukura for years. Through their determination and belief in the strength and power of whānau within their communities, they have changed and enriched people's lives."

Kaiwhakahaere, Heni Turner

Pasefika Proud focuses on the safety and wellbeing of Pacific families

Pasefika Proud is one of the prevention initiatives we lead the implementation of as part of our role in Te Aorerekura. In 2021/22, we worked with others in the the Joint Venture Te Puna Aonui to engage with 10 Pacific communities across Aotearoa on the development of Te Aorerekura. This work included:

- supporting the cross-agency Pacific Infant Care Collective My Baby's Village campaign, which is developing Pasefika content for campaign products (such as videos, posters and social media) to support new Pasifika parents
- supporting Kiribati, Tokelau, Tuvalu, Fiji and Niue to develop and implement ethnic-specific national wellbeing strategies, and funding Tokelau, Tuvalu, Niue and Fiji to complete their National Wellbeing Action Plans
- funding four Pacific Family Violence training programmes through Nga Vaka o Kāiga Tapu: A Pacific Conceptual Framework to Address Family Violence in New Zealand
- reviewing how we design a robust evidence base around what works for FV prevention for Pacific families and communities
- commissioning Moana Research to produce an evidence synthesis, outcomes framework, and research and evaluation agenda.

Expanding family violence prevention and response services to keep families safe

Through Budget 2022, the Government is investing \$37.6 million over three years in Vote Social Development to grow community capability, trial new and innovative prevention approaches, and shift the attitudes, beliefs, norms and behaviours that sustain violence. This includes supporting the development of three new prevention approaches for ethnic communities, elder abuse and the #LoveBetter youth campaign.

An investment of \$6 million will also support extending the Family Violence Response Coordination service for two years. The Family Violence Response Coordinators strengthen their local communities by improving inter-agency co-ordination, collaboration and communication. This funding will ensure continuity of current service provision and will retain the knowledge and expertise of the Family Violence Response Coordinators, which will be needed as Integrated Community-led Response Initiatives are expanded.

Taking a holistic approach towards developing a social cohesion strategic framework

Ko tō tātou kāinga tēnei is the report of the Royal Commission of Inquiry (RCOI) into the terrorist attack on Christchurch masjidain on 15 March 2019. The report includes 44 recommendations and highlights social cohesion as fundamental to ensuring New Zealand's future wellbeing and safety.

Since the terrorist attack, a whole-of-government approach was developed that recognises how closely interconnected Te Tiriti o Waitangi and social cohesion are in New Zealand. The approach promotes action to achieve equitable social cohesion and wellbeing outcomes for Māori and others in and across all communities.

We responded to recommendations 29, 31 and 37 from the RCOI report through multiple phases of community engagement over a 10-month period. This included engaging with a working group made up of stakeholders from diverse groups and sectors, including intersectional communities.

Our community engagement informed a social cohesion package, agreed by Cabinet in June 2022, that consists of:

- a Social Cohesion Strategic Framework and Measurement Framework
- tools and resources to promote understanding and action on social cohesion
- a government work programme of existing and new initiatives that contribute to social cohesion
- the design and criteria of the Social Cohesion Grant Fund to support community-led action on social cohesion.

We are supporting preparation for the public release of the package later in 2022.

Te whakarite i ngā wheako o te tūkinō i raro i te maru o te kāwanatanga mā tā mātau ratonga Ngā Kerēme Tawhito me te whakapai ake i tēnei tukanga mō ngā kaikerēme Addressing experiences of abuse in state care through our Historic Claims service and improving this process for claimants

Our Historic Claims team²⁷ manages a redress process for people who were harmed while in the care, custody, guardianship or oversight of the state, and supports the RCOI into Abuse in Care. The process gives claimants:

- the opportunity to tell their story and be heard
- help to access support and services
- the opportunity to get answers to questions about their time in care
- an acknowledgment of their experience, including a settlement payment and apology.

In 2021/22, the Historic Claims team was able to process 335 claims, which is 167 more claims than 2020/21 (168), but numbers are still lower than anticipated. Work has been affected by the continuing effects of COVID-19, the need to divert resource to respond to information requests from the Royal Commission, and complex legal issues contained in some claims.

The Historic Claims team is investigating ways to reduce wait times. This has involved the Historic Claims team addressing key legal issues by developing and implementing two policy-based payment frameworks that respond to instances of potential inappropriate detention and potential breaches of the New Zealand Bill of Rights Act 1990. Since finalising these frameworks, claims impacted by these issues are now able to be progressed. In the first half of 2022, the Historic Claims team processed around 250 claims that were impacted by inappropriate detention and is now focusing on around 90 claims related to breaches of the New Zealand Bill of Rights Act 1990.

The Crown Response Unit continues to lead the response to the Royal Commission's recommendation to make advance payments to survivors who are elderly or seriously ill, while still giving them support and access to other parts of the claim process that are important to them. This includes exploring a faster way to assess claims and assessing whether this method could be used for a wider group of survivors than the Royal Commission recommended, such as people who have been waiting the longest. It would also help enable us to work towards achieving our performance measure of assessing 1,864 Historic Claims by 30 June 2023.

²⁷ More information on our Historic Claims process is available at www.msd.govt.nz/about-msd-and-our-work/work-programmes/historic-claims/

He wāhanga hira tō mātau ki te whakarite ka haumaruru te whakarato i ngā ratonga pāpori ki te iwi o Aotearoa

We had a key role in ensuring social services are safely delivered to New Zealanders

Providing assurance that social service providers are delivering safe and quality services – Te Kāhui Kāhu



Te Kāhui Kāhu²⁸ (Social Services Accreditation) is hosted by MSD. Te Kāhui Kāhu provides assurance that social service providers meet the required accreditation standards to deliver quality services to New Zealanders.

In most cases, the accreditation process includes an on-site face-to-face assessment. In the last 12 months, restrictions to slow the spread of COVID-19 meant this part of the assessment had to be put on hold, which significantly affected the accreditation process. In response to these COVID-19 restrictions, Te Kāhui Kāhu used contactless assessments, and made use of available technologies. They also introduced an interim attestation process that enabled social service providers to confirm they were meeting the accreditation standards until this could be verified using on-site assessments. During 2021/22 1,345 accreditation assessments were completed.

On 20 June 2022, Te Kāhui Kāhu launched phase 1 of a new Information Technology system for accrediting social service providers. This includes functionality to make it easier for providers and Te Kāhui Kāhu to undertake accreditation assessments. This new system will enable social service providers to enter information and upload documents related to their accreditation applications, rather than emailing them for triage and processing. Providers will also be able to track the progress of their applications using the system.

As part of Te Kāhui Kāhu's pay equity claim oversight and support function, processes, guidance and tools to support social service providers with managing pay equity claims were developed.

During the year, Te Kāhui Kāhu also continued to process core worker exemptions for other government agencies. The Children's Act 2014 includes a workforce restriction whereby a person with a specified offence must not hold a core children's worker role without an exemption. Te Kāhui Kāhu manages the application process for exemptions on behalf of other government agencies. This is complex work and is critical to reducing the risk of harm to children.

Currently, Te Kāhui Kāhu is responsible for responding to notifications about non-registered persons practising/presenting themselves as social workers. The Social Worker Registration Board (SWRB) is specifically responsible for social worker registration and responding to complaints about registered social workers.

Te Kāhui Kāhu is reviewing its accreditation practice to ensure it responds to the changing social sector landscape and fulfils the commitment to Te Tiriti o Waitangi.

Two initiatives designed to help social service providers gain accreditation at the level they need to contract for services have started. This includes working closely with our Māori Communities and Partnerships team in the Community Connector space, and a pilot to support smaller providers that have not had a contract to provide services in the past to reach the accreditation standards. The aim is to provide this service to approximately 90 providers nationwide over the next 12 months.

Te taunaki i ngā hiahia me te oranga o ngā tamariki me ngā taiohi i roto i te pūnaha manaaki a te kāwanatanga

Advocating for the interests and wellbeing of children and young people in the state care system

In 2021/22, we continued to lead the process of policy and legislative changes needed as part of the Government's work to strengthen the independent oversight of children's issues and the Oranga Tamariki system. The term 'Oranga Tamariki system' refers to all services provided to children and young people under the Oranga Tamariki Act 1989, including both care and protection and youth justice.

In 2021/22, the Oversight of Oranga Tamariki System and Children and Young People's Commission Bill (the Bill) was introduced in the House of Representatives and was considered by the Social Services and Community Committee (the Select Committee). The Select Committee reported the Bill back to the House on 13 June 2022 with recommended amendments. Significant amendments recommended by the Select Committee include:

- explicitly providing for a Chief Children's Commissioner
- explicitly providing for the Children and Young People's Commission to report to the Prime Minister
- including a statutory duty on the Independent Children's Monitor (the Monitor) to act independently.

Further progress of the Bill will take place in 2022/23.

Over the last year, and as part of the progressive implementation of an independent monitoring function, we continued to host and support the Monitor,²⁹ who assesses compliance with the Oranga Tamariki (National Care Standards and Related Matters) Regulations 2018 (the NCS Regulations). The NCS Regulations provide standards for agencies that care for children and young people in state care.

²⁸ More information on Te Kāhui Kāhu is available at <https://tekāhuikāhu.govt.nz>

²⁹ More information on the Independent Children's Monitor is available at www.icm.org.nz/

In November 2021, the Monitor's first full report³⁰ on agency compliance with the full NCS Regulations was delivered to the Minister for Children. The report covered the period 1 July 2020 to 30 June 2021 and was based on data and information received from the monitored agencies, as well as the voices of a range of people who shared their experiences of the care system. This included 59 children and young people, 14 families, 78 caregivers and 416 representatives from the monitored agencies, health, education and justice agencies, NGOs and lawyers for children.

We continue to work closely with iwi, Oranga Tamariki, the Office of the Children's Commissioner, the Ombudsman, providers of children's services and other stakeholders, to ensure the wellbeing and interests of children are at the centre of how the state delivers care and support.

Te whakarato i te mōhio me te urupare ki te hunga e tiaki ana i te whānau

Promoting awareness and responsiveness to people caring for family and whānau

Mahi Aroha – Carers' Strategy Action Plan (2019-2023)

As part of implementing Mahi Aroha,³¹ the Government's current action plan for carers, we worked with the sector and government agencies to promote awareness and responsiveness to people caring for family and whānau. We also worked with the Ministry of Health and Carers NZ to ensure the COVID-19 response includes information and support for carers.

In April 2022, MSD and the New Zealand Carers Alliance released the latest progress report on the 17 actions in Mahi Aroha and planned activities for the 2022 calendar year.

Commissioning research on carers

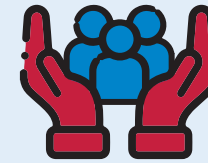
To help us improve our support services for carers, we have commissioned more analysis to develop our understanding of carers. This has included:

- working with the Ministry of Health to support Carers NZ with developing a survey and report on the state of caring, which will be published in late 2022
- conducting a survey called What About Me?, which asked 14,000 young people, including young carers, about their health and wellbeing
- working with Carers NZ to use census data to understand the population of young and older carers, including their ethnicity and location
- commissioning analysis of information about young carers from the Growing Up in New Zealand study, which is longitudinal research of more than 6,000 children.

³⁰ See www.icm.org.nz/assets/Uploads/Documents/Reports/Report-4/Pages-from-Experiences-of-Care-in-Aotearoa-Report.pdf

³¹ See www.msd.govt.nz/documents/about-msd-and-our-work/work-programmes/policy-development/carers-strategy/carers-strategy-action-plan-2019-2023.pdf

At 30 June 2022:



80

young people supported by Te Hunga Rangatahi



6,757

young people were enrolled in youth services for those not engaged in education, employment or training (NEET).

Te Hunga Rangatahi sets direction for Jody

Te Hunga Rangatahi is based in Ōtaki, led by Te Puna Oranga o Ōtaki in partnership with Work Ready Kāpiti. The two-year programme supports 80 rangatahi between the ages of 15 and 24 who are at risk of long-term unemployment and are not engaged in education, employment or training (NEET).

Jody was part of the second intake of the programme. She had completed her NCEA levels, but required support into training and employment and had applied for the Jobseeker Support benefit. Jody's potential became evident to programme staff early on as she was good at goal setting and was engaged. Jody enrolled in and completed a Certificate in Youth Development and Counselling. In January 2022, she completed a Diploma in Psychology and Counselling. Her confidence led her to apply for a job advertised by a youth organisation and started employment at the end of the programme.

Jody later contracted to Kāpiti Coast District Council as a Facilitator in Youth Development in Ōtaki and is now part of the Te Puna Oranga o Ōtaki Board. Reflecting on her experience she says, "While I was participating in the course it was great. I liked that I had a place to go, something to do, it was a good change in my life. I would recommend this programme to other people because it is a great place for rangatahi to go if they don't know where to go."



Jody, pictured right



Te whakarite kei te pai te āhua o te whakauru a ngā tāngata o Aotearoa ki te iwi whānui me te whakatutuki i tō rātau pito mata

Ensuring New Zealanders participate positively in society and reach their potential

We work to help New Zealanders reach their potential, grow and participate positively in society.

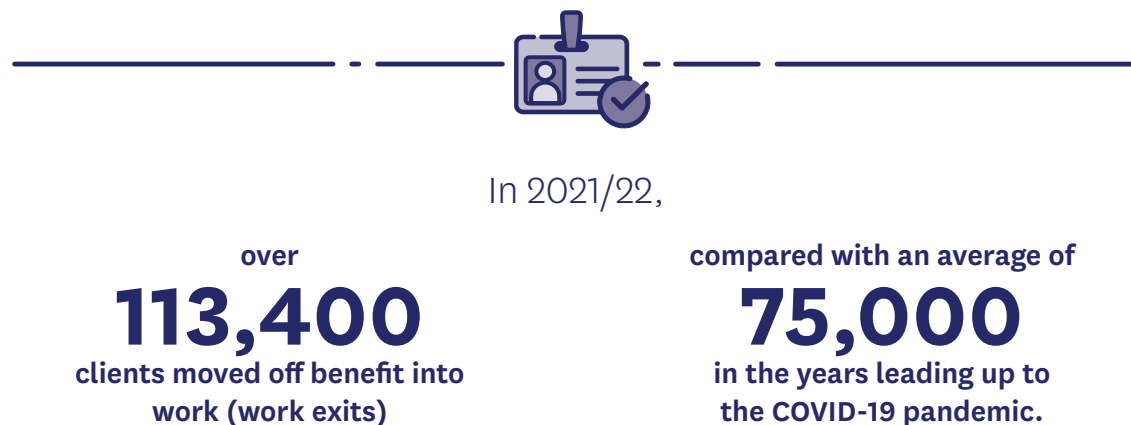
We do this by providing and connecting people with wellbeing, employment and education opportunities and support services. We also recognise that the opportunities we provide need to be inclusive, so we connect with people, families, whānau and communities to understand their aspirations and what is important to them, including their situation, culture and values.

To continue ensuring that all New Zealanders can participate positively in society and reach their potential, our work in 2021/22 included:

- providing opportunities and services to improve people's readiness for and access to employment
- providing services to improve people's financial wellbeing
- supporting disabled people and their whānau to be independent and create good lives for themselves
- hosting the Establishment Unit to set up Whaikaha – Ministry of Disabled People
- supporting older people to maintain their independence and continue to participate positively in society
- providing opportunities for young people to thrive.

Kātahi anō ka pēnei rawa te nui o te hunga e tautokona ana e mātau ki te neke mai i te takuhe ki te mahi

We supported a record number of people to move off benefit into work



This is the highest number of work-exits since electronic records began and it continues the positive trend we saw in 2020/21 – over the past two years 226,800 clients have moved off a main benefit into work.

Of those who moved off benefit in the past 12 months:

- nearly 38,700 are clients who had been on benefits for more than one year (an increase from 24,900 in 2020/21)
- 18,000 are clients with children (the highest number since 2017/18)
- 53,000 are Māori and Pacific people (an increase from 47,000 in 2020/21).

The biggest proportion of clients moving off benefit into work continue to be those who have received a benefit for less than one year. This is partly explained by clients who started receiving benefits after the beginning of the COVID-19 pandemic, and who tended to be younger, had no benefit history and found it easier to transition back into work. Despite this, the number of clients in this group decreased between 2020/21 and 2021/22.

The increase in the proportion of work-exits for those who had been on benefits for longer than one year reflects MSD's focus on supporting people with longer benefit durations into work.

We tend to see an increase in people staying on a benefit for longer periods during economic shocks, such as the Global Financial Crisis and the COVID-19 pandemic. The number of work-exits for those who had been on benefits for longer than three years also increased to over 10,400 people (5,800 in 2020/21).

I āwhina mātau i ngā tāngata kia takatū, kia whai me te noho pūmau ki te mahi

We helped people prepare for, secure and sustain employment

We have service centres in most New Zealand towns, where our staff help people prepare for work, search for jobs and connect with employers.³² These services are a key part of ensuring New Zealanders are well supported to return to and stay in the workforce.

Our staff use their local knowledge to give employment advice that best suits the needs of the regions and clients. We also contract services in the regions that provide services to clients in their local area.

Our service centres and contracted services complement national employment initiatives and supports that are collectively helping record numbers of New Zealanders return to work, even while the country is experiencing the effects of the COVID-19 pandemic.

Partnering with employers to support people into work

Critical workforce

In early 2022, many employers were significantly affected by the Omicron outbreak. We used our networks and systems quickly to respond to their needs by:

- providing recruitment services for essential or critical roles to minimise the disruption to supply chains
- identifying a pool of willing workers who were ready and available for permanent roles, and temporary or short-term roles to cover workers who were sick or isolating
- offering people training to help them get ready for work
- supporting community groups delivering food through the COVID-19 Protection Framework to use Flexi-wage and Activity in the Community projects to convert their volunteers into paid workers and take on more workers.

Between 14 February 2022 and 30 April 2022, we placed 4,779 people into jobs, of which 1,316 were essential or critical roles. Through Flexi-wage, we supported 489 people into critical roles, of which 73 were Activity in the Community projects that help long-term benefit recipients get paid work experience.

The Skills for Industry Programme was expanded

Over the past two years, we have expanded our Skills for Industry Programme. We offer this programme as part of the Construction Sector Accord, which is a shared commitment between government and industry to transform the construction sector.

³² More information on our employment programmes and projects is available at <https://workandincome.govt.nz/providers/programmes-and-projects/index.html>

The Generator: supporting vulnerable communities through business enterprise

At 30 June 2022,
The Generator had
delivered


\$1.76m
in seed funding


1,302
Generator participants
across Aotearoa

Hundreds of tamariki in the Tairāwhiti region continue to gain valuable life skills through learning the game of chess, thanks to a dedicated tutor and the support of the MSD-funded Generator programme.

Tutor, Noble Kenan, has been teaching chess in Tairāwhiti for over a decade. Noble co-founded the Eastern Knights Chess Club and the Chess in Schools programme many years ago with Genesis Potini. Genesis was the subject of the 2014 award-winning film Dark Horse.

With seed funding from MSD-backed Generator, Noble has now been able to get all the chess gear he needs to expand his teaching in multiple Gisborne schools. Playing the game of chess helps tamariki learn how to think ahead and shows them the consequences of their actions. The tournaments Noble organises also build stronger Tairāwhiti communities and break down barriers.

The Generator has supported hundreds of people like Noble to get their business idea off the ground, from hairdressing and photography to catering companies and nail salons. The Generator takes a unique and supportive approach to helping people realise their business goals, encouraging Community Service Card holders to dream it, plan it, do it.



Noble teaching tamariki chess



Last year, **4,361** people participated in Skills for Industry, exceeding our target of **3,500**.

Over the past two years

8,498
people have participated

exceeding our target of

7,000.

Jobs and Skills Hubs transitioned from MBIE to MSD

On 1 July 2021, the Jobs and Skills Hubs transitioned from MBIE to MSD. The Hubs provide 'here and now' support to assist jobseekers in finding training, apprenticeships and jobs to support a future career in the construction and infrastructure industries. For employers, Jobs and Skills Hubs help to find skilled workers for projects, extend the hiring pool of potential candidates, help managers upskill current staff, and enable employers to plan better for current and future construction-related needs.

Expanding our employment services and helping people stay in work with redeployment services

We have built on what we learnt during the response to COVID-19 in 2020/21, and over the last 12 months we have proactively engaged with businesses to tell them about the services and support we can provide them and their employees. Our new, strengthened employment programmes continue to help more people into work. In the past 12 months we invested \$50 million into expanding these programmes to help more people than before the pandemic.

Following changes to eligibility rules for Mana in Mahi and Flexi-wage, higher uptake in our Skills for Industry Programme and our increased focus on redeployment, we now provide contracted employment assistance to over 5,000 people each year who are not receiving a main benefit, which is more than double pre-pandemic.

Early Response – Redeployment Support to keep people employed

To support people at risk of job displacement, in 2021/22 we established a new redeployment service that included 12 Early Response teams around the country. Early Response supports people before they come into the welfare system. By getting involved early and connecting people with new employment or upskilling opportunities, we can reduce the number of people who are struggling because their work hours have been reduced or they are facing redundancy. This results in fewer people at risk of needing long-term benefits.

Our Early Response teams offer a range of redeployment support services, including one-to-one consultations and redeployment seminars, expos and events to help people connect directly with employers and upskilling opportunities.

Flexi-wage and Mana in Mahi helped people back into work

In 2021/22, the eligibility criteria for some key employment products were changed to enable us to use Flexi-wage and Mana in Mahi as redeployment mechanisms.

Flexi-wage offers support for employers to hire staff, provides training and ongoing in-work support for employees, and a contribution to help employers pay staff wages. This helps jobseekers get the skills they need to meet a job's requirements.

Mana in Mahi provides industry training to support disadvantaged people to obtain sustainable work. Sixty-four percent of participants are under 25 years and 36 percent identify as Māori.



In the last 12 months, Flexi-wage helped more than

12,000
people into work.



During 2021/22, Mana in Mahi trained over

2,000
people

which has helped them take up or continue employment, and increased their chances of staying in work if the labour market changes.

Of this group,
90%

are still actively involved in the programme, or have completed or left the programme and not returned to being on a benefit.

In the past year, Flexi-wage and Mana in Mahi has helped

over
4,500
people into employment before they needed a benefit.

Through Budget 2022, the Government is investing \$10.9 million in Mana in Mahi over two years, to support the initiative and increase the number of available placements. This funding will also help support the delivery of a one-year programme that includes an employer Wage Subsidy, pre-employment support, additional pastoral and education support, and incentive payments for participants. Mana in Mahi will continue to provide support for 650 clients and service an additional 350 participants to gain an apprenticeship or formal industry qualification, to support long-term sustainable employment.

Apprenticeship Boost was extended until December 2023

We run the Apprenticeship Boost initiative with the Tertiary Education Commission, supporting employers to retain and take on new apprentices while the economy recovers from the effects of COVID-19.



This initiative started on 5 August 2020 and has since supported

over
18,200
employers

with nearly
47,900
apprentices.

The numbers of registered employers and apprentices have increased by around **5,000** and **18,000**, respectively.

In May 2022, it was announced that the Apprenticeship Boost was extended until December 2023, alongside an investment of \$230 million through Budget 2022 to support 38,000 apprentices.

The Training Incentive Allowance was reintroduced

On 1 July 2021, the Government reintroduced the Training Incentive Allowance (TIA). The TIA is intended to support our most vulnerable clients to achieve higher-level qualifications and, in turn, higher-paying, sustainable and fulfilling work. It also supports the Government's priorities to alleviate child poverty and move to a high-wage economy.

The re-introduced TIA supports sole parents, disabled people and carers on specific benefits, to study for qualifications at Levels 4 to 7 in the New Zealand Qualifications Framework (NZQF). The TIA was also extended to support part-time study for sole parents receiving Emergency Benefit and Jobseeker Support. This change ensures parity in accessing benefits across the system for sole parents.



Over 1,600 clients received a TIA payment for the first time between 1 July 2021 and 31 December 2021.

Additionally, nearly
2,900
people received a payment between 1 January 2022 and 30 June 2022.

Approximately 72 percent of people are using it to study for certificates, diplomas and Bachelor's degrees (NZQF Levels 4 to 7). The TIA gives these clients up to \$4,839 per year towards their one-off costs (such as course fees) and ongoing costs (such as childcare and transport).

Wired for an electric career

Tyson has been working as an electrical apprentice at the King Country Pet Food Factory in Taumarunui since 2021 and is well on his way to becoming a registered electrician.

Tyson has been supported by wraparound support from MSD and a Mana in Mahi subsidy to support his employment and ongoing training. Mana in Mahi is an MSD programme where we work with employers to allow clients to earn while they learn.

Tyson has now turned his hand to everything from the installation of equipment, lighting, power points and electrical cabling to complex wiring and testing.

Tyson had been studying towards a chemical engineering qualification at Waikato University with three years completed, but 2020 COVID-19 lockdowns put his studies on hold.

When MSD work brokers connected with Tyson he had recently graduated from the Limited Services Volunteer course but was unsure about his next move. Trade training hadn't occurred to him before he went to university. Now, although his study continues with block courses through Wintec in Hamilton, Tyson can keep working as he gains his commercial and residential electrical qualifications.



Tyson (left) at mahi

At 30 June 2022:



Mana in Mahi
had trained over
2,000
people.

Wāhine Toa: a small programme with a big impact

"I always tell my kids to dream big," says Korianna, a graduate of MSD's five-week Wāhine Toa course in Greymouth.

On a benefit when she got the call to attend Wāhine Toa, Korianna credits the course with giving her the confidence to handle a panel interview and secure a job as a kaiāwhina at the West Coast DHB COVID-19 health hub.

"To think of where I was last year to where I am now – I have self-confidence and can give my kids positive energy. We're not around each other all day so we have a lot of fun talking about our days when we see each other in the evenings, and I love that," Korianna says.

Waina Bell, MSD work broker and Wāhine Toa tutor, says she is proud of how far Korianna has come. "I have always believed there is strength in every wāhine and Korianna is no different. Like most wāhine coming onto Wāhine Toa, her confidence and self-belief needed to be brought out. Working within Te Ao Māori was a safe environment for her to challenge herself and regain the confidence that was just below the surface. She was able to find that she had options available to her and able to make her own decisions about the pathway she wanted to walk on.

"My role is to listen, encourage and support. Korianna was also able to learn her whakapapa during this time and in doing so could connect with her whānau and be the wāhine she was meant to be."

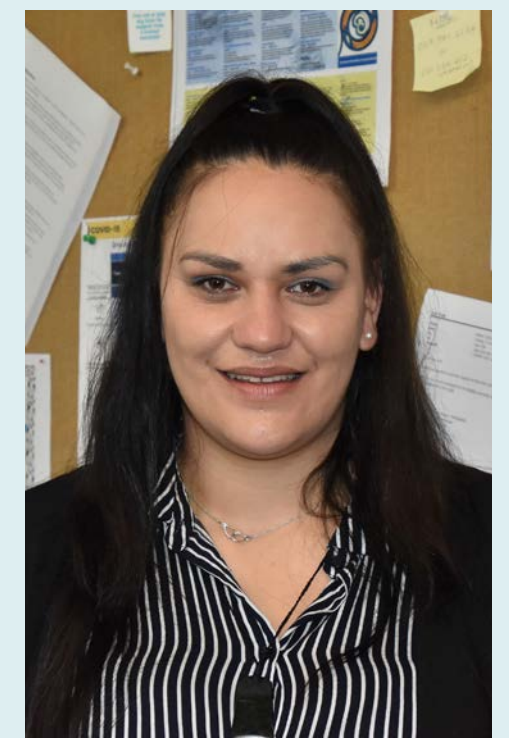
Using a Te Ao Māori approach to learning, the programme aims to build the confidence of wāhine to re-enter the workforce. It's one of the most successful courses run on the Coast, with over 90 percent of participants from the three groups now in employment, self-employment or further training.

The course is held at Tai Poutini Polytechnic and class sizes are deliberately kept small – under 10 – so there's plenty of one-on-one time between the wāhine and course tutor.



"Like most wāhine coming onto Wāhine Toa, Korianna's confidence and self-belief needed to be brought out. Working within Te Ao Māori was a safe environment for her to challenge herself and regain the confidence that was just below the surface."

Wāhine Toa Tutor, Waina Bell



Korianna

Supporting Māori and rangatahi into work with Māori-led initiatives

In July 2021, the management of the Māori Trades and Training Fund (MTTF) and He Poutama Rangatahi – Youth Employment Pathways (HPR) was transferred from MBIE to MSD. Adding these to our suite of employment programmes means we can help more people find work through Māori-led initiatives.

The Māori Trades and Training Fund was expanded to 16 programmes

The MTTF is run by Māori for Māori. It connects local people to local jobs by supporting Māori entities to design and deliver unique employment programmes tailored for Māori in their communities with wrap-around support. This initiative supports Māori to overcome known barriers to participating in training and employment.

In 2021/22, we signed nine new contracts with local training providers, increasing the number of active programmes to 16, and 23 organisations are currently applying to become MTTF providers.



Over the year,

over
460
people took part in MTTF
training programmes

and
260
people gained employment.

Through Budget 2022, the government is investing \$66.2 million in MTTF over four years to develop the capability of new providers, support employment placements, and complete an evaluation (including Kaupapa Māori evaluation) of the first two years of the programme to inform future improvements.

He Poutama Rangatahi was expanded to 63 programmes

HPR is for rangatahi Māori aged between 15 and 24 years old. Since it started in 2018, 8,560 rangatahi have taken part in HPR programmes and nearly 3,900 have moved into employment, education or training.



In the past year, we started 11 new programmes,
increasing the number of programmes to 63.

Around
2,100
rangatahi enrolled in programmes
during the year

and more than
1,200
moved into employment,
education or training.

One of our HPR programmes is Mauri Mahi, Mauri Ora, which reached its 12-month milestone in June 2022. This is a holistic career-development programme supporting 16 to 19-year-old rangatahi who attend an eight-week intensive phase which includes driver licensing, first aid, budgeting and cooking, along with help with CVs, cover letters, job hunting and interviews. Upon graduation they move into the manaaki tāngata phase of the programme, which provides one-on-one support for 10 months. During this time rangatahi are also encouraged to consider extra-curricular activities to benefit their overall hauora (wellbeing) such as sport, exercise, social connection or even a career change. The rangatahi continue to be supported with pastoral care while in employment.

Increasing access to employment with improved driver licence support



As announced in Budget 2022, the Government is investing nearly \$86.5 million over four years to support up to 64,000 people gain a driver license.

This multi-agency initiative enables us to support contractors and community providers to offer quality driving training and education resources and address systemic disadvantages in the current system. This includes working with driver licence testing and training providers, iwi, Māori and Pacific providers, and providers who meet the needs of specific populations (such as ethnic communities and youth) to increase sector capacity to provide culturally-responsive driver training.

I tautoko mātau i te oranga pūtea o ngā tāngata o Aotearoa
We supported the financial wellbeing of New Zealanders

Building Financial Capability (BFC) supports and empowers New Zealanders to get control of their money, set financial goals and achieve long-term, sustainable change.



In 2021/22,

more than
133,000
BFC sessions were offered.

BFC services and products include:

- Financial mentors: one-on-one service focused on helping individuals and whānau with their finances
- MoneyMates: peer-led support groups that encourage people to learn from others as they talk about money and finances
- Building Financial Capability Plus Kahukura: intensive support for people with complex needs
- The Generator: a community action initiative that aims to support income-generating activities by providing seed funding for micro enterprise
- Microfinance and Debt Solutions: affordable accessible credit for people and whānau on low-to-medium incomes.

As annouced in Budget 2022, the Government is investing \$21 million over two years, which will enable BFC service providers to continue supporting people to manage their finances, develop skills and set goals to enable better financial decision-making.

In 2021, Financial Capability in Aotearoa 2021-2024³³ was published. This is our strategic direction through to 2024 for delivering financial capability services to New Zealanders.

³³ See www.msd.govt.nz/documents/what-we-can-do/providers/building-financial-capability/financial-capability-aotearoa-newzealand-2021.pdf

Ashleigh realises
her business dream

One woman’s small business dream is a thriving reality thanks to support from MSD’s Start Me Up and Flexi-wage initiatives. Ashleigh owns online boutique ASH&STONE, where she sells bespoke crystals, jewellery, ceramics and homeware.

With help from MSD, Ashleigh has grown this business from scratch. She now ships her goods internationally, has six stockists across the motu, has secured a warehouse, hired staff, and just launched a physical store in Kingsland, Auckland.

In early 2020, Ashleigh joined the Start Me Up programme, which MSD runs in conjunction with economic development agency ChristchurchNZ. Start Me Up supports jobseekers to explore what it would take to start their own business. Ashleigh was successful in getting a Flexi-wage grant at the beginning of the programme to help with the basic start-up costs for her business.

“Start Me Up was a great foundational programme which helped me assess if my business had potential and if there was a market for my product,” Ashleigh said. “It also taught me business concepts; I had no prior experience in business or start-ups. It was great to talk and learn from other like-minded people.”

Ashleigh credits MSD, Flexi-wage and Start Me Up with giving her the hand up she needed.

“If it wasn’t for MSD, I wouldn’t have been able to start ASH&STONE full-time or have had the growth we have seen in the past 12 months,” she said. “Remembering where I was at with no work, struggling to even get a call back for interviews, to now hiring and having an input into New Zealand’s economy ... that is something that brings me so much joy.”

At 30 June 2022:



Flexi-wage helped
more than

12,000
people into work.



Of this group,

90%
are still actively involved
in the programme, or
have completed or left
the programme and not
returned to being on a
benefit.



Ashleigh at ASH&STONE

I tautoko mātau i te hunga hauā me ō rātau whānau kia noho motuhake me te hanga ao pai mō rātau anō

We supported disabled people and their whānau to be independent and create good lives for themselves



In 2021/22 we continued to administer the Office for Disability Issues (ODI)³⁴ until their integration into Whaikaha – Ministry of Disabled People, which was established on 1 July 2022. ODI is a strategic and whole-of-government focused team providing advice on disability issues to government agencies.

Establishing Whaikaha – Ministry of Disabled People on 1 July 2022



In October 2021, Cabinet agreed to establish Whaikaha – Ministry of Disabled People³⁵ to give voice to the disabled community and support the need for new, innovative approaches to disability, hosted by MSD.

Following the October 2021 announcement of the new Ministry, we hosted the Establishment Unit to set up Whaikaha – Ministry of Disabled People. The role of the Establishment Unit included:

- setting up the operations and functions needed for the new Ministry to start effectively, including preparing policy work, transferring Disability Support Services from the Ministry of Health and setting up Finance, HR and IT systems
- ensuring disabled people were central in the governance and make-up of the new Ministry's DNA, as well as oversight of the establishment process
- ensuring disabled people continued to receive support during the transition.

Whaikaha – Ministry of Disabled People intends to transform the disability system, improve outcomes for disabled people and work with them to make New Zealand an inclusive and accessible society. A wide range of organisations, groups and individuals guided, supported and endorsed the new Ministry's development. This included disabled people, tāngata whaikaha Māori, Pacific disabled people, family members of disabled people, as well as government officials.

As announced in Budget 2022, the Government is investing \$107.9 million over four years, to support Whaikaha – Ministry of Disabled People in its establishment and work to drive ongoing transformation across government with, and for, disabled people.

Advocating for disabled people, including tāngata whaikaha Māori, and their needs throughout the COVID-19 response

During 2021/22, ODI provided advice to government agencies on disability issues and helped to inform the response to COVID-19. This included:

- providing government agencies with advice on 199 Cabinet papers and 66 ministerial requests, with support from connections with the disability community, including the Disabled Persons Organisation (DPO) Coalition
- releasing the Disability Toolkit for Policy, which helps policymakers understand the disability implications of proposed policies
- providing public access to disability data through the ODI website
- collating cross-government actions taken to respond to the recommendations from the Human Rights Commission's Inquiry into the Support of Disabled People and Whānau During Omicron
- developing a reporting tool on disability-related COVID-19 issues that the disability community had raised with the Minister for Disability Issues
- facilitating meetings with disabled people (including tāngata whaikaha Māori), their whānau, and officials from across government. These meetings ensured that the community was kept up to date on disability-focused COVID-19 initiatives, and officials had the information required to respond better to disability-related concerns.

³⁴ More information on the Office for Disability Issues is available at www.odi.govt.nz/

³⁵ More information on Whaikaha – Ministry of Disabled People is available at <https://whaikaha.govt.nz/>

Giving disabled people and their families a stronger voice

ODI continued to work with the Parents/Whānau/Family Network to give disabled people opportunities for their diverse voices to be heard across government. The Network meets up to four times a year for topic-based consultations with government officials.

Currently, the Network's members include representatives of grassroots organisations and service providers that focus on supporting the families of disabled people.

ODI is also involved with Mahi Aroha – Carers' Strategy Action Plan 2019–2023 – through the provision of input and advice on its implementation and being a part of governance arrangements for the Action Plan.

Hearing the voices of young disabled people at the I.Lead Conference

The I.Lead Conference is an event for young disabled people to discuss issues that affect them and share their views with policymakers.

This year, 80 young disabled people took part in the conference, which was held virtually on 21 and 22 February 2022. It was organised by a committee of disabled young people facilitated by Yes Disability Resource Centre and supported by ODI.

At this year's conference, participants presented their collated recommendations to government officials. The recommendations covered a range of areas, including education and training, transitions, housing, sport, recreation and transport. ODI will continue to work with government officials to address or implement the recommendations.

Co-ordinating New Zealand's first Disability Convention Domestic Forum with the Independent Monitoring Mechanism

In March and April 2022, the Independent Monitoring Mechanism (IMM) held a cross-government Disability Convention Domestic Forum to review New Zealand's implementation of the United Nations Convention on the Rights of Persons with Disabilities (CRPD). Co-ordinated by ODI, the forum involved a series of interactive dialogues with over 70 government officials.

The information officials provided during the forum gave the IMM up-to-date assessments of the Government's progress to realise the rights of disabled people under the CRPD, before New Zealand's second examination by the United Nations in August 2022.

Developing Accelerating Accessibility in New Zealand

In March 2022, Cabinet agreed the design of Accelerating Accessibility in New Zealand, which is intended to address accessibility barriers for disabled people, including tāngata whaikaha Māori, and other people with accessibility needs.

The design includes:

- the Accessibility for New Zealanders Bill, which is currently being considered by the Social Services and Community Committee
- a ministerial advisory committee, which will be led by disabled people, including tāngata whaikaha Māori, and will advise the Minister for Disability Issues on how to improve accessibility and overcome access barriers nationwide.

Supporting the Enabling Good Lives cross-agency initiative

Enabling Good Lives³⁶ (EGL) is a cross-agency initiative which gives disabled people and their families more choice, control and flexibility. EGL pilot projects have been developed in the Christchurch, Waikato and Mid Central regions. EGL clients have a flexible support budget and a tūhono (connector) who encourages and supports them to make choices that help them to have meaningful lives.

During 2021/22, work has been under way to progress towards a nationwide roll-out of EGL. To support this progress, \$100 million from Budget 2022 has been allocated to Whaikaha – Ministry of Disabled People. This will transform disability support services in New Zealand for at least 43,000 disabled people, their families, whānau and communities.

Providing stewardship of the Disability Action Plan 2019–2023

As a signatory of the CRPD, New Zealand has a Disability Strategy to guide its actions and ensure it meets its responsibilities.

New Zealand's current strategy runs from 2016 to 2026 and focuses on eight broad outcome areas. The Disability Action Plan 2019–2023 provides details of the work of government agencies in each of the focus areas. The Action Plan involves 12 government agencies implementing 29 work programmes. ODI oversees the work programmes and six-monthly reporting to the DPO Coalition. ODI and the DPO Coalition work together to monitor the Action Plan's progress.

Supporting the New Zealand Sign Language Board

ODI supports the New Zealand Sign Language (NZSL) Board, which is responsible for maintaining and promoting NZSL. The Board's Terms of Reference require that most of its members are deaf, and all are fluent NZSL users.

The NZSL Board's work is guided by the New Zealand Sign Language Strategy 2018–2023. The strategy's outcomes are based on five internationally recognised language planning principles: acquisition, use and access, attitude, documentation and status. The strategy encourages the learning of NZSL by more people and greater recognition and awareness of NZSL by promoting the language.

In 2021/22, ODI supported the NZSL Board by:

- providing secretariat support
- managing NZSL Community Grants, which provide \$250,000 to community groups to maintain and promote NZSL in their local area
- implementing projects to achieve the NZSL Strategy's outcomes
- managing its contracts with external suppliers that deliver NZSL projects such as maintaining the NZSL Dictionary, NZSL competency and running NZSL Week
- providing ministerial support related to NZSL.

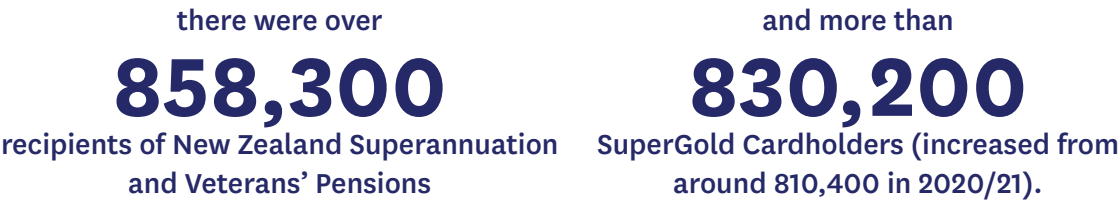
³⁶ See www.enablinggoodlives.co.nz/

**I tautoko mātau i ngā kaumātua kia mau tonu tō rātau
tūranga motuhake me te whai wāhi tonu ki te iwi whānui**
We supported older people to maintain their independence
and continue to participate positively in society

We provide a number of services and supports that are available to older people, including New Zealand Superannuation, Veterans' Pensions and the SuperGold Card programme, which assists older New Zealanders with a wide range of discounts from businesses and government services.



During 2021/22:



We also signed up **541** new SuperGold Card business partners, bringing the total
to **5,632** operating from **10,930** outlets.



We also administer the Office for Seniors,³⁷ which provides advice to the Government on issues affecting older people and services and information to support the wellbeing and concerns of seniors. Key areas of work delivered through the Office for Seniors in 2021/22 are outlined below.

**Launching the Better Later Life – He Oranga Kaumātua Action Plan
2021-2024 and the Older Workers Employment Action Plan**

In 2021/22, we launched the Better Later Life – He Oranga Kaumātua Action Plan 2021-2024,³⁸ which was a key milestone in implementing Better Later Life – He Oranga Kaumātua 2019 to 2034, the Government's strategy for ensuring a better future for New Zealand's ageing population.

The Better Later Life Action Plan sets out the Government's plan to implement the strategy in the 2021-2024 period, which will include work on employment, housing and digital inclusion for older New Zealanders.

We also launched the Older Workers Employment Action Plan.³⁹ This plan focuses on supporting people aged 50 and over with training and upskilling, and finding and staying in work, as well as supporting employers to be more inclusive, and planning for the effects and opportunities of an ageing workforce.

Continuing to deliver the Better Digital Futures Programme

We continued to deliver our award-winning Better Digital Futures digital literacy training programme, which has provided essential digital skills training to more than 2,500 older people since it began in 2019.

Updating our resources for seniors and stakeholders

We updated the Office for Seniors – Te Tari Kaumātua website to provide better information to stakeholders and older people and ensure accessibility standards are being met. We also published resources to improve people's knowledge and understanding of New Zealand's ageing population and to support local and national responses.

Our updates and additional resources included:

- an age-friendly Urban Places guide to support local authorities to undertake urban planning that meets the needs of older people in their communities
- the Attitudes to Ageing survey, which examines how New Zealanders of all ages feel about older people and the process of ageing
- economic modelling of the contributions older people make as workers, consumers, volunteers, carers and taxpayers
- a literature review⁴⁰ of research into the labour market experience of older Māori.

Advocating for elder abuse prevention

We ran a media campaign using television, radio, social and other media to raise national awareness of elder abuse among people of all ages. We also distributed \$250,000 of small grants for community-led elder abuse prevention projects, including research into the experience of Takatāpui and rainbow elders and improvements to the International Resident Assessment Instrument criteria to better detect elder abuse.

Partnering for better insights to support older people

Our Older People's Policy team have established a partnership with the Social Wellbeing Agency to research the scale and characteristics of older people who experience vulnerability and multiple disadvantages. The work, which will draw on the Statistics NZ Integrated Data Infrastructure, is the first of its kind for older people. The insights will provide us with a broader information base to ensure that we are adequately supporting older people experiencing (or at risk of experiencing) worse outcomes in later life.

³⁷ More information on the Office for Seniors is available at <https://officeforseniors.govt.nz/>

³⁸ See <https://officeforseniors.govt.nz/better-later-life-strategy/action-plan/>

³⁹ See: <https://officeforseniors.govt.nz/our-work/older-workers-employment-action/>

⁴⁰ See: <https://officeforseniors.govt.nz/resources-publications/>

Ka tautoko mātou i te hunga rangatahi kia tōnui ai We helped young people to thrive

Supporting youth development with the Ministry of Youth Development - Te Manatū Whakahiato Taiohi



We administer the Ministry of Youth Development (MYD),⁴¹ which helps support all young people aged between 12 and 24 years old to increase their overall wellbeing so that they are better able to succeed in, contribute to and enjoy life. MYD also advises the Government on advocating for young people to ensure they can participate positively in their communities.



In the last 12 months,

MYD invested over
\$13m
in youth development and youth enterprise
programmes and services, which were

delivered by **119 service providers**
and reached over
72,000
young people.

When MYD surveyed young people on their experience of the programmes and services, their feedback was overwhelmingly positive. Of more than 8,000 respondents, 86 percent said their outcomes had significantly improved as a result of taking part in one of the programmes or receiving one of the services.

Implementing the Youth Plan 2020–2022: Turning Voice into Action – Rebuilding and Recovering

MYD is leading the implementation of Youth Plan 2020–2022: Turning Voice into Action – Rebuilding and Recovering⁴² (the Youth Plan). This is one of its actions in the Current Programme of Action of the Government's Child and Youth Wellbeing Strategy. The Youth Plan contributes to the strategy outcomes and shares its vision and principles.

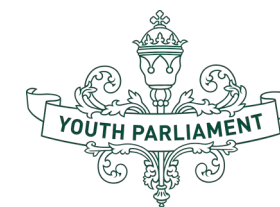
The Youth Plan sets out what the Government will do to mitigate the impact that COVID-19 has had on young people. It aims to:

- ensure that young people have a say in decisions about recovering from the pandemic
- support the wellbeing of young people and their families
- enable young people to build leadership skills
- drive transformative change across government.

To implement the Youth Plan, MYD works with many other government agencies. The plan includes 16 cross-agency actions, all of which are on track and some have already been integrated into agencies' day-to-day work.

The Youth Plan and the strategy are both being reviewed in 2022.

Youth Parliament began in March 2022



Youth Parliament⁴³ is an opportunity for young people from diverse backgrounds across New Zealand to experience the parliamentary process, learn how government works and contribute their lived experience and community views to Parliament.

Held every three years, Youth Parliament is organised by MYD and the Office of the Clerk of the House of Representatives. Since the 6-month tenure for the 10th Youth Parliament began on 1 March 2022, 139 young people have taken part as:

- youth Members of Parliament (MPs) who worked actively in their communities on issues they are passionate about
- members of the Youth Press Gallery who reported on the work at Parliament
- a youth clerk who learnt about the inner workings of parliamentary procedures.

In July 2022, youth MPs took part in a two-day event involving mock debates, attending Caucus sessions and Select Committees, and asking ministers oral questions. The youth clerk supports the sessions in the House, and the Youth Press Gallery members put their journalistic talents to good use, while learning about the workings of government from the Press Gallery perspective.

MYD supported The Hive to advocate for young people's views on politics



The Hive⁴⁴ supports and encourages young people to contribute their thoughts and opinions to the Government on the issues that matter to them. The Hive is represented by a collective of young people, known as Hivers, selected to empower fellow young people to engage on issues that they are interested in. They also help build trust and strengthen communication between young people and government agencies.

In the last 12 months, The Hive has worked with different agencies on various policy changes, including adoption law reform, an emissions reduction plan, content regulation reform and housing.

⁴¹ More information on the Ministry of Youth Development is available at www.myd.govt.nz/

⁴² See www.myd.govt.nz/documents/young-people/youth-plan/youth-plan-2020-2022-turning-voice-into-action-rebuilding-and-recovering.pdf

⁴³ See www.parliament.nz/en/get-involved/youth-parliament-2022/

⁴⁴ More information on The Hive is available at <https://thehive.nz/>

Conducting the first Youth Health and Wellbeing Survey

In 2021, we conducted the inaugural Youth Health and Wellbeing Survey – What About Me?, and 7,473 people aged between 12 and 18 years in schools, kura kaupapa (Māori primary schools), alternative education units and Youth One Stop Shops participated. This survey captures young people's experiences at a historical and unprecedented time. The survey results will be released in late 2022.

While COVID-19 lockdowns significantly affected the survey participant rate as it is usually conducted face-to-face, the data will be invaluable in helping us understand young people's wellbeing in the COVID-19 era. The results will also be used to measure progress towards the Child and Youth Wellbeing Strategy and the Youth Plan.

The Ākonga Youth Development Community Fund supported youth development programmes

In 2021/22, MYD and the Ministry of Education partnered to implement the Ākonga Youth Development Community Fund – Strengthening Ākonga Resilience to Achieve Better Outcomes (Ākonga Fund). The Ākonga Fund was established for a fixed period up to 31 December 2022, using funding from the COVID-19 Response and Recovery Fund (CRRF).

The Ākonga Fund is aimed at supporting ākonga (learners) aged 12 to 21 years who have been adversely affected by COVID-19, funding iwi and community programmes to strengthen whānau and community connections to support ākonga to re-engage in their learning and aspiration for their future, or transition to further training or employment.

In line with the Youth Plan, the Ākonga Fund has a particular focus on programmes that support rangatahi Māori, Pacific young people, Rainbow young people and disabled young people.

Examples of programmes funded by the Ākonga Fund include:

- **The Champions Programme** run by the Billy Graham Youth Foundation: this programme uses the disciplines, skills, techniques, and qualities of boxing as an engagement vehicle with ākonga, connecting them with people around them, and supporting ākonga with their pathway to learning.
- **The Ākonga Pathway Programme** run by Future Leaders Employment Services: this programme has a strong mentoring component and works with education providers, whānau, community and employers to ensure ākonga pathway plans can be created and successfully implemented. There is also a strong emphasis on ensuring ākonga's basic needs are met e.g., living situation, relationships, whānau, transport, finances, and security.
- **Te Pihi Ora** run by Te Ora Hou Ōtautahi: this programme provides ākonga with mentoring and activities to strengthen their identity, culture, coping skills and resilience. It helps ākonga and their whānau to navigate the transition to secondary school.

Since it was established the Ākonga Fund has supported over 4,000 ākonga through youth development programmes delivered by 28 iwi and community-based service providers.

MYD and the Prince's Trust Aotearoa New Zealand – Te Kete Aronui and He Kākano youth enterprise initiatives

During the year MYD and the Prince's Trust Aotearoa New Zealand have worked together to understand what 'good' looks like in youth enterprise, and what role MYD should take to support young people to access entrepreneurial opportunities.

As a result of this work, in August 2021 MYD launched Te Kete Aronui, which is a Youth Entrepreneurship Outcomes Framework and set of resources for providers of youth entrepreneurship programmes and services. The resources will help service providers build entrepreneurial capital (skills and thinking), create pathways to economic opportunities and ensure they are giving young people equitable access to their programmes.

MYD and the Prince's Trust New Zealand also launched He Kākano in May 2022. He Kākano is designed to support young entrepreneurs to take the next steps in their enterprise journey.

He Kākano is aimed at people aged 17 to 30 who have completed a MYD-funded or Prince's Trust enterprise programme. Over two years, He Kākano will distribute approximately \$1.75 million to participants for start-up grants of \$5,000 to \$20,000, mentoring, access to shared support services and training in entrepreneurial skills.

MYD and the Prince's Trust anticipate supporting at least 100 youth-led businesses through He Kākano. So far, five young people have received a total of \$80,000 in seed funding.

Continuing to support quality youth services

As announced in Budget 2022, the Government is investing \$15 million over four years to ensure young people, including those from marginalised communities such as rangatahi Māori and Pacific, rainbow and disabled young people, have equitable access to quality youth development services.

The funding will support:

- increased access to youth development services
- a pilot initiative supporting full-time equivalent youth workers to deliver increased contact time with young people to address more complex and urgent needs
- work to build a cycle of youth development evidence, including research and evaluation on what works for cohorts of young people.

Supporting youth wellbeing, education, and employment with Ratonga Taiohi – Youth Service



MSD's Ratonga Taiohi – Youth Service⁴⁵ supports young people to get the education and training they need for bright, independent futures. Key areas of work delivered through Youth Service in 2021/22 are outlined below.

Taking part in the National Youth Service Provider Hui

In June 2022, Youth Service providers gathered for the third National Youth Service Hui. The purpose of the hui was to enhance capability, grow whanaungatanga (kinship) and wānanga (meet and discuss).

Youth Service providers participating at the hui recognised that they are stronger when they work together and use the range of services and programmes available for young people. The participants left the hui feeling confident that they have the knowledge and skills to support young people.

Launching the first Youth Service and TupuToa Internship Programme

In 2021, Youth Service and TupuToa launched their first internship and employability programme for Māori and Pacific youth. The programme gives young people practical experience and helps them fulfil their career aspirations and become future business and community leaders.

The internships last for 10 months and involve regular coaching and wrap-around support, including help to prepare for work after the internship. Since the programme began, 13 people have started paid internships and will graduate in August 2022.

Connecting with young people

Expanding the Whītiki Tauā mentoring service to young people in the South Island

Whītiki Tauā is a free, voluntary virtual mentoring service run by Whakarongorau Aotearoa in partnership with MSD. It connects people with a dedicated person they can chat to regularly, by phone or video call, for up to one year. Whītiki Tauā is a free service for people who participate in Mana in Mahi, as its support can help them stay in work. In March 2022, Whītiki Tauā was extended to young people aged between 18 and 24 years who live in the South Island and are on a benefit, or who have been on a benefit within the last three months and are now working or studying.

⁴⁵ More information on Ratonga Taiohi – Youth Service is available at www.youthservice.govt.nz/



Te titiro ki te paerangi Looking to the horizon

Te anga whakamua i te Kaupapa Te Pae Tawhiti Making progress on Te Pae Tawhiti Programme

In upcoming years, we will undergo significant change through Te Pae Tawhiti Programme (the Programme) to deliver to our strategic direction and the Government's Welfare Overhaul work programme.

The Programme will make it easier and simpler for New Zealanders to get help and support through the welfare system.

The Programme will also modernise MSD's technology, improve our secure use of data and information to support this change, build system agility and resilience, and allow MSD to partner more efficiently and effectively.

Modern and improved systems will enable MSD to implement policy and change more efficiently and cost effectively and will significantly reduce the overall risk of system failure.

Following Cabinet's approval of our Programme Business Case in May 2022, we are now developing a Detailed Business Case (DBC), which is scheduled to be completed in early 2023. The DBC will outline the priority initiatives for the first phase of the Programme to support funding decisions.

Key decisions will be made in the coming year about the design and delivery of services to clients and communities, the technology needed to enable those changes, and the support our people need to deliver them.

Te titiro atu ki ngā tatau takuhe matua e matapaetia ana Looking ahead at forecast main benefit numbers

In May 2022, the Budget Economic and Fiscal Update 2022 (BEFU 2022) was released, including MSD's benefit forecasts. The number of people on main benefits is expected to decrease over the remainder of 2022 overall (excluding usual seasonal trends) and remain close to forecast. Benefit numbers were forecast to increase from around mid-2023. The Treasury forecast a period of low economic and employment growth around this time, which may lead to more people accessing income support. However, since BEFU 2022, inflation has been higher than forecast by the Treasury and interest rates are rising faster than expected. It is possible that economic growth conditions could slow down sooner and the turning point for benefit numbers increasing could begin around early 2023.

Given the current uncertainty in the global economic environment, there is particular uncertainty around the timing and magnitude of the forecast increase in the number of people on main benefits. Despite this uncertainty, we will continue working to ensure that we are well prepared and able to adapt in order to provide our support services to New Zealanders when they need it.

Te tautoko i ngā tāngata o Aotearoa me te Tahua 2022

Supporting New Zealanders with Budget 2022

Announced on 19 May 2022, the Government's Wellbeing Budget 2022: A Secure Future⁴⁶ (Budget 2022) continues to support our work to achieve and secure better outcomes for all New Zealanders.



Budget 2022 funding will strengthen key initiatives, including:

- Over \$536 million towards **supporting the Welfare Overhaul work programme and low income New Zealanders**, which includes: passing on child support payments to sole parent beneficiaries, improving adequacy and accessibility of Special Needs Grants for dental treatment, and permanently increasing hardship assistance income limits.
- Over \$942.8 million towards the **disability system transformation**, which includes: addressing critical cost pressures for Disability Support Services, establishing Whaikaha – Ministry of Disabled People and working towards extending the roll-out of the Enabling Good Lives approach to support more disabled people and their whānau.
- Over \$163.5 million towards **training and better employment and safety outcomes for New Zealanders**, which includes: providing access to driver licences for disadvantaged groups, continuing to support Māori entities in delivering training and employment for Māori, and continuing employment support linked to industry training for at-risk jobseekers through Mana in Mahi.
- Over \$50.4 million towards **supporting community-based providers**, which includes: funding for Building Financial Capability providers to continue improving people's financial capability and reducing their risk of financial hardship, and supporting Crown-Māori partnerships that seek to realise the aspirations of iwi, hapū and whānau, and iwi and Māori-led wellbeing (eg Te Hiku and Ngāi Tūhoe iwi relationship agreements and Kāinga Whānau Ora).
- Over \$35.6 million for **our future operating model – Te Pae Tawhiti** – and over \$28.5 million to continue the replacement of our financial management and payroll systems, as part of our Te Pae Tawhiti Programme.

Ko tā mātau mahi tautoko hei tari tiaki i a Whaikaha

– Te Manatū Hunga Hauā

Our supporting role as the host agency for Whaikaha

– Ministry of Disabled People

As the host agency, we will provide a number of corporate services to Whaikaha – Ministry of Disabled People in line with the three operating agreements in place. These include a Transitional Services Agreement, an ongoing Corporate Services Agreement, and an Information Sharing Agreement to ensure the effective application of privacy principles and Official Information Act requirements.

We are providing a range of transitional services to Whaikaha – Ministry of Disabled People, which will move into its own management over the next 12 to 18 months. These transitional services include:

- Legal services
- Ministerial and Executive services
- Communications and Engagement services
- Transitional Management services (pending Whaikaha recruitment for key positions)
- Human Resources
- Workplace Management, Facilities management, and Health, Safety and Security.

We will also provide a range of ongoing corporate services, as required under the Public Service Act 2020, including:

- Human resources transactional services
- Information and communications technology support, including information services and security
- Finance
- Emergency management and business continuity planning
- Business development and transformation
- Commercial operations, such as ongoing workplace management and procurement, and facilities management.

MSD officials will also continue to lead on the Accessibility for New Zealanders Bill as it moves through the House and will support Whaikaha – Ministry of Disabled People officials to prepare to implement the accessibility framework as required. Whaikaha will administer the legislation once enacted.

⁴⁶ Budget 2022 can be viewed at www.treasury.govt.nz/sites/default/files/2022-05/b22-wellbeing-budget.pdf



Te whakarato i ngā ratonga tino kounga mā ngā pūmanawa whakahaere tiketike

Delivering high-quality services
through excellent organisational
capability

MSD is a large and diverse organisation with over 8,900 staff. As a government agency we are fully committed to the fundamental 'spirit of service' characteristic of the New Zealand public service.

In this section we report on our progress towards delivering on the goals we have previously set ourselves for:

- our people (our staff)
- Health, Safety and Security (HSS)
- information, data and evidence
- technology
- management of resources, including our departmental assets portfolio and procurement
- the Carbon Neutral Government Programme (CNGP)
- good governance practices and risk management.



He Korowai Manaaki – kei te tautoko mātau i ā mātau kaimahi ki te āwhina i te iwi o Aotearoa

He Korowai Manaaki (Our People Strategy) – we are supporting our people to help New Zealanders

Our People Strategy, He Korowai Manaaki sets out the people-related action we will take to achieve our key organisational strategies – Te Pae Tawhiti, Te Pae Tata and Pacific Prosperity. He Korowai Manaaki outlines what we need to do to be successful in an ever-changing environment, how we can work in new and different ways, and how we want people to experience working and leading others at MSD.

Our People Strategy, He Korowai Manaaki has four interwoven threads:

- **Client and whānau-centred** – We design our work, roles and organisation to deliver for our clients and whānau
- **Capability-building** – We have the capability to perform to our potential now and in the future
- **Leading for performance** – Our leaders develop and nurture people and teams to deliver high levels of performance
- **Positive experience** – Our people have an experience at work that enables them to reach their potential and be included, safe and well.



Client and whānau-centred – We design our work, roles and organisation to deliver for our clients and whānau

We put our clients and their whānau at the centre of what we do. This ensures they receive personalised, integrated services that suit their needs and circumstances, which in turn helps them support themselves and their families.

This year, we redefined the key accountabilities of our Service Delivery staff. The changes we made put clients firmly at the centre of staff roles and will enhance the experience of our people. We will continue building on these changes by refining our processes and supporting the business to provide the best support we can to our clients at their first point of contact with us.

Capability building – We have the capability to perform to our potential now and in the future

Building our capabilities

We are committed to capability building as part of He Korowai Manaaki. To strengthen our approach, we are developing our capability framework to define the core people capabilities all our people need and bring to MSD. These capabilities include the transferable skills, knowledge, behaviours and experiences that our people have grown through work, study, in their personal lives and more. Our organisational values are reflected in these capabilities and enable our people to build genuine relationships and partnerships, weave a stronger future, apply technical know-how and show the personal attributes they bring to MSD.

We continue to develop the capability of our client-facing people. Across the Service Delivery teams, the Learning and Continuous Improvement team (ie, Capability Developers) work with our people to grow curiosity, capability and confidence, and establish a learning culture that promotes our understanding of clients and their whānau. In this way, we can give them the help they need, when they need it. This is supported with Te ara piki (the pathway ahead), which is our capability and development approach for our people to develop the capabilities that support our MSD priorities and values. This helps our people to own and lead their own development, supported by their manager.

Building Māori cultural capability

Our Māori Cultural Capability Work Programme supports the embedding of a Māori world-view into our organisation that will honour our commitment as a Te Tiriti o Waitangi partner and prioritise the outcomes of Te Pae Tawhiti, Te Pae Tata and He Korowai Manaaki – Our People Strategy. This will give whānau, hapū, iwi and all other New Zealanders confidence that they will receive the best possible services from us, no matter where or how they connect with us.

COVID-19 has impacted the delivery of this programme, but our people are committed to developing their Māori cultural capability and continue to access the resources and supports available.

The Ministry has a wide range of training that supports cultural capability collectively gathered within Te Pātaka, our storehouse of learning. Some of the key programmes include:

- **Ako Panuku:** a repository of recommended learning materials that will develop people's knowledge of Te Ao Māori.
- **Kimihia:** a mobile application focused on Te Ao Māori that people can use to learn about Māori concepts, values and practices.
- **Herenga Kupu:** learning modules on te reo Māori words in everyday use and words that relate to our work.
- **Te Rito:** a 14-module online programme that introduces people to tikanga (customs), Te Tiriti o Waitangi, whakapapa (genealogy) and te reo Māori. Te Rito is a key programme in our strategy to embed kaupapa Māori into our work.
- **The Wall Walk:** an interactive session on New Zealand history that respectfully reveals the stories of Māori and the Crown.
- **Te Aka Matua:** a development programme for Māori and Pacific managers who demonstrate the potential to lead and manage at a senior level.
- **Te Aratiatia Emerging Leaders Programme:** a leadership programme for Māori and Pacific employees who demonstrate potential to become effective leaders within MSD.
- **Marae-based Leadership Development:** a pilot initiative for senior leaders in the East Coast region that builds on the wisdom and processes of the marae to develop leadership skills through group learning.

Leading for performance – Our leaders develop and nurture people and teams to deliver high levels of performance

Leadership capability

Our leadership approach and programmes are underpinned by our values to grow our capability and lead for performance so our people have an experience at work where they feel valued and supported to reach their potential.

As a result of the COVID-19 pandemic restrictions, we have converted many of our leadership development opportunities to online media to make them easier to access. We have also expanded the types of learning we offer and now have communities of practice, reflective practice groups, and more mentoring and coaching.

In the past year we developed the Leading for Performance Roadmap, which is a three-year strategy and 18-month Action Plan. The roadmap outlines an approach to leadership that:

- is consistent across MSD and the rest of the New Zealand public sector
- supports the development of individual, team and organisational performance
- sets clear organisational expectations of leadership at MSD
- describes and develops capabilities that support our needs and organisational outcomes, now and in the future
- has flexible and responsive people systems and tools that inform progress and performance, including development plans, tools, pay and progression, policies, specialist advice, wellbeing, people metrics and reporting.

Pay and progression for our leaders

Following on from the Staff Pay and Progression Framework implemented in 2020/21, and a bargained outcome in the previous agreement, work has started on developing a new Pay and Progression Framework for our Managers and Senior Specialist (MSS) employees.

The new Pay and Progression Framework aims to develop a modern, fit-for-purpose remuneration and pay progression framework for our MSS employees as they develop in their roles.

We are working with the Public Service Association (PSA) on the framework for MSS, and expect to complete it during the first quarter of 2022/23, in time for the next MSS Collective Agreement.

Positive experience – Our people have an experience at work that enables them to reach their potential and be included, safe and well

He Korowai Manaaki is based around Mana Manaaki – a positive experience every time, one of the strategic shifts outlined in Te Pae Tawhiti. It is represented by a korowai (a traditional woven Māori cloak). This is our vision for our people and their experiences at work. We want our people to reach their potential and be included, safe and well.

Our people experience roadmap focuses on understanding and developing insights into our people's experiences of working at MSD, which we respond to by working with our people to achieve the positive experiences collectively articulated in He Korowai Manaaki.

The People Experience Steering Group

In 2021/22, we set up the People Experience Steering Group and met regularly to prioritise activities that improve our people's experiences. These activities have aimed to provide our people with equitable and transparent career-development opportunities, pay and progression, and tools to perform their work in a safe and inclusive work environment.

Supporting and investing in the wellbeing of our people

Pā Harakeke – our Wellbeing Plan

Pā Harakeke is our wellbeing approach to support the wellbeing of our people and ensure MSD is a great and safe place to work. We have a range of support that staff can access as part of the MSD whānau, including:

- **Taking care of yourself:** including discounted health insurance, free flu jabs, peer support, counselling and coaching, Workplace Mental Health and Wellbeing Sessions, accident and illness insurance, etc.
- **Growing and developing in your job:** including learning how to manage wellbeing, achieving qualifications, study assistance and mentoring.
- **Help for families:** including help with childcare, parental leave, carers and Working for Families assistance.
- **Feeling part of our whānau:** including employee-led networks, supporting our Māori and Pacific people, community spaces, union membership and High Performance, High Engagement (HPHE).
- **Managing money:** including discounted banking services, financial mentoring (using Benestar MyCoach for Money), retirement schemes and other financial services.

In 2021/22, more than 6,000 people attended around 140 sessions for our people. These sessions included:

- People Leader Hauora sessions
- Workplace Mental Health & Wellbeing sessions
- webinars run by our Workplace Mental Health and Wellbeing (WMHW) team
- webinars run by our Employee Assistance Programme provider – Benestar
- People Leader Korero sessions
- Manager Wellbeing sessions.

Our Peer Support network, Poutuarā, continues to be well utilised across the country alongside our newly-elected Regional Wellbeing Champions. We check in with our Peer Supporters to make sure Poutuarā remains fit for purpose and our staff are getting the most out of the service.

In addition to the support we provide for our people under our organisation-wide Wellbeing Plan Pā Harakeke, we also have flexible working arrangements, reasonable accommodation in employment policy, parental leave provisions that includes an ex-gratia parental leave payment on return to work, preferential re-engagement after childcare and a range of leave options that support caring responsibilities.

We also offer targeted support for employees with caring responsibilities through the CareWise Programme run by Carers NZ. CareWise is centred on ensuring carers are recognised and supported at work so they can better manage the pressures of employment and caring. This is available to anyone who cares for a friend, family, whānau or aiga member with a disability, health condition, illness, injury, or addiction who needs help with everyday living.

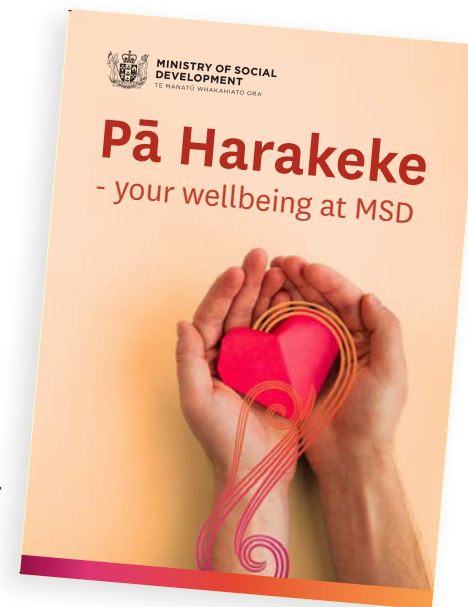
Helping our people manage their health and wellbeing during the COVID-19 pandemic

While the Auckland region was under extended COVID-19 restrictions, we provided targeted support and advice to our people to help them manage their health and wellbeing.

In June 2022, we provided a detailed report on staff wellbeing to our Risk and Audit Committee. The report noted that, like other organisations, MSD has experienced increased demand for Employee Assistance Programme (EAP) services during the COVID-19 pandemic. We observed that mental fatigue is increasing and recognise the need to provide our people with ongoing COVID-19 related workplace mental health support over the next few years.

Maintaining our constructive relationships with our employees and their union representatives

Our relationship with our union partners continues to be positive and constructive at both the operational and strategic levels. The PSA is the main union that represents our staff and we engage with over 400 of their delegates at the local and national levels, including Ngā Kaitūhono representatives (our Māori PSA members) and PSA convenors. We have an equally constructive relationship with the Work and Income Northland Staff (WINS) union, which has around 100 members based entirely in Northland.



We engage regularly with our union partners at all levels, from Chief Executive to operational site leaders. This enables us to understand issues as they arise and work to resolve them at the lowest level. The approach is based on the principle that those working closest to an issue are best placed to resolve it, and the investment in developing the solution increases ownership of the outcome.

When we engage with our union partners, we use the principles of High-Performance High Engagement. This provides a framework for engaging with people and works on the basis that when you do so meaningfully, and they participate, the organisation's performance improves.

Implementing bargained outcomes from collective agreements

In 2021/22, we implemented a number of bargained outcomes from the three collective agreements we settled during 2020/21 (Service Delivery, National Office and Work and Income Northland Staff). This included agreed pay increases for around 8,000 employees and the payment of a Wellbeing Allowance.

We have negotiated and settled our MSS Collective Agreement, which expired in March 2022. We worked with the PSA to get a short-term agreement that expires at the end of November 2022, while work on a new MSS Pay and Progression Framework can be undertaken and negotiated into the new agreement later this year. We were able to deliver lump sum payments for around 900 employees in addition to a Wellbeing Payment. Getting agreement to this short-term deal demonstrated our constructive relationship with our union partners.

MSD is a party to two pay equity claims. One covers administration and clerical employees in 44 agencies across the wider public service. The second covers customer service and contact centre employees in three agencies, including MSD. An employer funded claim team hosted by Te Kawa Mataaho Public Service Commission is representing employers in the process as they work with union parties to determine if sex-based undervaluation is present for these workforces. Collectively, the claims cover around 2,500 MSD people.

Supporting a diverse and inclusive workplace

Diversity and inclusion are key to enabling a positive experience for our people at work. Being a diverse and inclusive organisation means recognising and respecting the differences between people while valuing the contribution everyone can make. We want all our people and clients to thrive and enhance their wellbeing. It is critical for our success as an organisation that we reflect the people we serve, which means acknowledging and appreciating our own diversity so that we can support our clients' aspirations.

Our diversity and inclusion direction is in line with the Papa Pounamu⁴⁷ work programme.

The five priority areas listed below are what public service Chief Executives have committed to carrying out within their agencies:

- Te Urupare i te Mariu | Addressing bias
- Te āheinga ā-ahurea | Cultural competence
- Hautūtanga Ngākau Tuwhera | Inclusive leadership
- Te whakawhanaungatanga | Building relationships
- Ngā tūhononga e kōkiritia ana e ngā kaimahi | Employee-led networks.

⁴⁷ See <https://www.publicservice.govt.nz/guidance/papa-pounamu/>

These areas are designed to work together and with existing initiatives that make the most positive impact for all diversity dimensions. A dedicated team with Te Kawa Mataaho supports this system-wide effort.

We have a range of foundational policies and guidance that support managers to have meaningful conversations with employees about their individual and whānau needs, including a focus on flexible working and reasonable accommodation policies.

Growing inclusive leadership

In growing our leadership we are creating a culture of inclusion, diversity, fairness and wellbeing, by weaving these values into our policies, strategies and practices.

Our senior leaders engage in positive working relationships with the people they work with and are actively seeking their knowledge and experience to help influence and shape our policy and work programmes. For example, our current work to develop the new Gender Transitioning Guidelines and the creation of a prayer room at National Office are examples of responding directly to the voices of our people.

Our Mentoring Programme is another initiative designed to grow inclusive leadership across MSD. The programme was initially implemented in partnership with the Women's Network and Leo Tanoa (an Auckland-based Pacific network). Whitireira (a Māori network in the Nelson region) also joined in the second round and the programme is now being offered across the Ministry. We also organise our Leading People workshops so that groups are mixed in order to encourage diverse experiences, thoughts and opinions.

Supporting employee-led networks

Our employee-led networks are groups of people who voluntarily come together to promote and support the goals and needs of a particular group of MSD employees. The networks make a significant contribution to the wellbeing of our people and their sense of belonging at MSD.

Each of our employee-led networks is sponsored by a Deputy Chief Executive. For example, Nic Blakeley (Acting DCE Transformation) is the sponsor for our Proud@MSD network, Melissa Gill (DCE Organisational Assurance and Communication) is the sponsor of our Pan Asian Staff Network, Stephen Crombie (previous DCE People and Capability) was the sponsor of our Disabled Employee Network and Nadine Kilmister (Acting DCE People and Capability) sponsors our Women's Network.

Over the past year our employee-led networks have grown significantly, and new networks continue to emerge. As at the end of June 2022 we have more than 25 networks focusing on our Māori, Pasifika, Asian and Muslim communities, women, disabled people, the rainbow community, early professionals, as well as themes of health, wellbeing and a positive workplace culture for all our people. Around the country we have five Māori networks and 12 Pacific people networks.

Some newly-established networks in 2021/2022 include:

- Pan-Asian Staff Network (Asian network for all of MSD)
- Early Professionals Network (for those early in their career at our National Office)
- Utaina Mai (Māori network in Auckland)
- Vaka Pasefika (Pacific network in Taranaki)
- Te Reo Manea (Kūki 'Airani network for all of MSD)
- P.E.A.C.E. Network (Muslim network for all of MSD).

Championing equal employment opportunities

We are committed to the principle of equal employment opportunities (EEO) and we value having a diverse workforce, as this represents our communities better and leads to a staffing profile within MSD that reflects the values and composition of the communities we work with. This in turn helps to improve policy development and service delivery.

The EEO Policy was reviewed and updated in July 2021. The changes included updating the principles to:

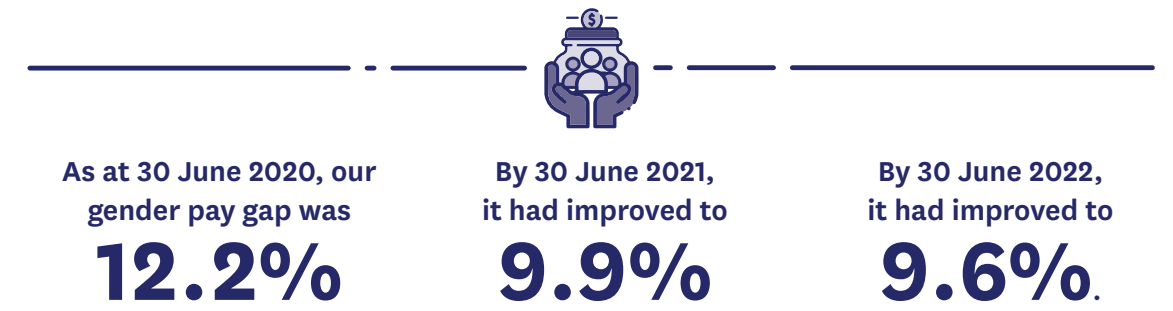
- recognise our commitment as a Te Tiriti o Waitangi partner
- commit to embedding a Te Ao Māori perspective into MSD in line with Te Pae Tata
- build cultural capability and grow inclusive leadership
- build Pacific employee capability to advance career pathways in line with Pacific Prosperity
- ensure services and systems are accessible and culturally acceptable
- accommodate employees' needs and circumstances where practicable.

Our EEO Policy outlines a commitment to:

- base appointments on merit while recognising the employment aspirations of Māori, ethnic and minority groups, women, disabled people and Rainbow communities, thus ensuring fairness in employment for all people
- purposefully recruit people who reflect and understand the diversity of Aotearoa and the communities we serve
- develop Māori and Pacific employees' career aspirations in line with Te Pae Tata and Pacific Prosperity
- commit to employing disabled people and collaborating across government to increase the number of disabled people employed in the public sector
- focus on the capabilities that underpin an openness to diversity, which applies to how we work with our clients, communities and our own people within our workplace
- work towards instilling confidence in our workforce to be able to work with the diverse range of people we serve and support
- work with other agencies to share best EEO practices, policies and procedures.

Narrowing the gender pay gap

The gender pay gap is the difference between the average salaries for women and men. Over the past year, we have continued our efforts to reduce the gender pay gap and increased our efforts to reduce ethnic pay gaps.



Note: This data is as at 30 June 2022 and does not include remuneration adjustments that took effect from 1 July 2022.

The gender pay gap in our workplace has reduced since the development of our Action Plan in 2021. Analysis shows there are no gender and ethnic pay gaps within same or similar roles or across the majority of pay bands. Instead, what is driving MSD’s gender pay gap is a higher proportion of women in lower-paid roles than higher-paid senior roles. Just over 70 percent of MSD staff are female and higher proportions work in lower-paid roles, which impacts on the overall pay gap. Work is under way to create opportunities for women to progress into more senior roles.

In 2021/22, we took several actions to further reduce the gender pay gap:

- following on from the roll-out of our new performance and remuneration system for MYD, National Office and Service Delivery staff, work has started on the design of a new performance and Remuneration Framework for our MSS staff
- continued to build our approach to our flexible working and reasonable accommodation policies and practices, including boosting the support for our leaders in managing an increasingly flexible workforce
- expanded our partnership-based mentoring programme with our Women’s Network and Pacific networks to include more partnership with Māori, Asian, disabled and early professionals networks
- started the ongoing process of reviewing our human resources policies to minimise potential for bias, including guidance for hiring managers to ensure recruitment panels demonstrate diversity of thinking, gender, ethnicity and our commitment to Māori.

Narrowing the ethnic pay gaps

Māori, Pacific and Asian representation in MSD is higher than in the public service as a whole and in the New Zealand workforce generally. There is evidence of ethnic pay gaps at MSD when we compare Māori to non-Māori staff, Pacific to non-Pacific staff and Asian to non-Asian staff.



Note: The base calculation for the ethnic pay gap was revised based on the latest guidance from Te Kawa Mataaho about the exclusion of staff who have not disclosed/shared their ethnicity. The calculation uses the Average Ethnic Pay Gap percentage.

In late 2022, we will work with key stakeholders, including unions, employee-led networks and our Diversity and Inclusion Steering Group, to develop our next Pay Gap Action Plan for 2022/23 that represents the diverse voices of our people and helps guide our work.

The Action Plan will be guided by the intent of Kia Toipoto: Public Service Action Plan 2021-24 and will have a stronger focus on ethnicity, gender by ethnicity, and the actions required to reduce the pay gaps we have identified.

Te whakarite kei te mahi ā mātau kaimahi i roto i tētahi wāhi mahi haumarū, hou, ngāwari hoki

Ensuring our people are working in a safe, modern and flexible working environment

Te whakahaere i ō mātau i mātau herenga hauora, haumarū me te haumarutanga (HSS)

Managing our health, safety and security (HSS) obligations

The HSS requirements and duties that MSD operates under are set out in the Health and Safety at Work Act 2015 (HSWA) and the Government's Mandated Protective Security Requirements (PSRs). We regularly review our approach to health, safety and wellbeing to ensure it is consistent with good practice, including WorkSafe guidance.

Our HSS Policy is reviewed and refreshed every two years in consultation with our National Health and Safety Committee and reflects the current areas of strategic focus.

In October 2021, we launched a review of our policy on responding to harmful behaviour (encompassing actual or threatened harm to our staff) using an HPHE process in partnership with PSA. The updated policy takes a broader view of how and where harmful behaviour can arise, and it highlights the importance of post-incident support for affected parties.

During the year, we also contributed advice to an internal review of the delivery of the Remote Services Unit (RSU). The RSU is an independent service delivery unit that provides a similar service to that of a service centre, as an alternative case management model for clients who present a risk to MSD staff.

HSS training

We have refreshed our ActSAFE Training Framework to align with the HSS training requirements of staff generally (ActSAFE), managers and people leaders (LeadSAFE), and for groups of workers (SiteSAFE). The current training offering is now being assessed against these criteria and will be updated accordingly.

In January 2022, a new ActSAFE Staff Secure module was deployed to all staff. This module included key elements of physical security, such as situational awareness, and was developed to include learnings from actual security incidents.

Keeping our sites safe and secure

Our security system is designed around the principles of detect, deter, delay and respond, and consists of a number of features to ensure the safety of our people. It underpins operational decisions that impact staff safety, including site safety plans and drills, a guard model, controlled access, client risk assessments, mobile personal alarms and regular site visits by senior HSS advisors.

Audits and self-assessments

Each year a sample of sites is audited for the ACC accredited employer programme (ACCAEP). The ACCAEP is supplemented by our own Security Assurance Programme that establishes a baseline standard of security for all client-facing sites to ensure that we meet our obligations under the HSWA and the Protective Security Requirements (PSRs).

Sites also undertake self-assessments with input from management, unions and other nominated employee representatives, to ensure that HSS standards are met and maintained. This identifies where work may be required and assesses the overall strength and maturity of our security system. This year, we completed the certification and accreditation process for the PSRs.

Service Centres for the Future is our national programme of work that enhances the security layout in all our service centres and includes incorporating new spaces and technologies. Sixty-three of 125 sites have now been fitted out with a new security zoning layout, and we are providing ongoing technical security expertise and advice.

Incident reporting and analysis

We provide a suite of internal reports on HSS risks to a range of stakeholders, including regional managers and the PSA. Our Leadership Team receives regular detailed reports that give them the assurance required to discharge their due diligence duties as officers under the HSWA.

We have increased our ability to undertake more sophisticated analysis of HSS data and enquiries into incident clusters and trends.

During the year, our team of senior regional HSS advisors conducted a range of investigations with a focus on what we can learn or change to make people safer, and how we can minimise the likelihood of incidents being repeated. These investigations help improve processes and systems.

There has been an increase of security incidents involving clients with complex needs, including financial hardship, housing insecurity, substance addiction and mental illness. These stressors have often been compounded by the prevailing environment of COVID-19. Our data analytics identifies contributing factors and supports us in developing targeted responses with staff training and, where necessary, making adjustments to processes and procedures.

Health and safety incidents – July 2020 to June 2022

This table reports the number of workplace health and safety events entered into our STAR (Security, Threats, Accidents, Risks) database, including office-based, working-from-home and off-site incidents.

Type of event	2020/21	2021/22
Pain and discomfort	1,671	1,038
Accident or injury	425	312
Near miss and hazard	152	162
Total	2,248	1,512

Note: These figures are subject to change due to regular reclassification of events occurring on a monthly basis.

Improving our systems

Our HSS notification system (STAR) assists with compliance with our responsibilities under the HSWA and provides better visibility of risks and hazards.

STAR allows all staff to enter security events, pain and discomfort reports, and accident/injury or near miss/hazard events. Workplace issues like bullying or stress, or notifying MSD of family violence issues, can also be reported.

In 2021/22, STAR was enhanced to provide better integration with the client management system used by our frontline staff, streamline the process for entering events, and produce more accurate and up-to-date insights into HSS events.

We updated our policy on closed circuit television (CCTV) following a comprehensive review of the Privacy, Human Rights and Ethics (PHRaE) implications of its use within the context of HSS security. A programme of work is under way implementing the policy and addressing the recommendations of the review.

Increasing participation in HSS

A Worker Participation Agreement with the PSA provides for the establishment of Health and Safety Committees in all workplaces, and a National Health and Safety Committee provides a voice for staff and the PSA on the overall state of health, safety and wellbeing within MSD.

Health and safety representatives

Our network of health and safety representatives (HSRs) is an important HSS asset, and we are extending our engagement with them. All newly-elected HSRs receive training that helps them to fulfil their roles under the HSWA. Ongoing training for HSRs incorporates a mix of formal and informal development opportunities. We produce a bi-monthly newsletter for HSRs and encourage networking and sharing of good practice. We celebrate the achievements of high-performing HSRs, and this year’s recipient of our internal award for HSR excellence was also recognised as the overall winner of the 2022 Government Health and Safety Lead Health and Safety Representative of the Year award.

We supported our staff through COVID-19

The COVID-19 Project team was established in October 2021, in response to the Delta outbreak and change from the Alert Level system to the COVID-19 Protection Framework.

We have adapted how we support our people and keep them safe as the pandemic progresses through different phases. Key areas of work during the year for the COVID-19 Project team included:

- Protocols**

Three health and safety risk assessments triggered by changes in the COVID-19 environment and public health measures were carried out, as well as the ongoing review and improvement of the protocols in place to ensure they remain relevant.

In March and April 2022, we engaged with over 200 staff around the country over six workshops for the third risk assessment process.

We co ordinated the distribution of masks and over 110,000 RAT kits to assist in early identification of cases post-workplace exposure to COVID-19. An additional 100,000 RAT kits were also made available so sites could replenish their stocks as needed. We also registered for and administered the Close Contact Exemption Scheme.
- MSD Vaccine Policy**

The MSD Vaccine Policy was implemented in December 2021, requiring MSD employees, contractors, consultants, secondees and volunteers to be fully vaccinated. Following consultation in June 2022 on proposed changes to the policy, it was changed to a position of “encourage but not require vaccination”, effective from 1 September 2022.
- Reporting**

New staff COVID-19 cases numbers are reported daily to the Leadership Team and their advisors. Staff case numbers and changes/enhancements to our response are reported weekly to our Minister. In July 2022, this will change to fortnightly reporting.
- Manager support and building capability**

The Managers’ Hotline was expanded in February 2022 to assist managers to manage exposure events on-site. Since the start of the Omicron outbreak in January 2022 over 1,720 positive cases were reported to the hotline – this indicates over 18 percent of staff were infected, with some of those being re-infections.

A campaign to increase manager confidence in managing exposure events on-site was developed and implemented across the country. Processes have been streamlined for efficiency and to minimise stress and operational impacts for managers and sites.

Supporting HSS for Whaikaha – Ministry of Disabled People

We supported the Establishment Unit for Whaikaha – Ministry of Disabled People by designing suitable HSS resources, systems and processes, and will be providing the same advisory and support services to Whaikaha employees as we do for our MSD employees for the duration of transitional services.

Te whakamahi tika i ngā mōhiohio kia puta ai ngā kitenga pai ake, ngā whakatau pai ake me ngā ao pai ake

Using information responsibly to deliver better insights, better decisions and better lives

We understand now more than ever how important it is to ensure information has value, is protected and used responsibly to achieve our purpose.

We developed our Information Data and Analytics Strategy 2022 that sets out our vision for becoming a trusted steward of information that leverages the taonga we hold to improve the lives of New Zealanders. This strategy addresses two critical components in achieving this trust:

- our ability to effectively collect, manage, use and share data and information
- our commitment to use people's data and information responsibly, building respect for Te Ao Māori into how we work and ensuring that the information is always respected and protected.

This strategy also describes how we intend to shift our information, data and analytics practices to support the delivery of Te Pae Tawhiti (the Programme).

Supporting this vision and our commitment to protecting data and information, while making it available to those who need it to deliver services to our clients, required us to reorganise our Information Group's operating model to better respond to its responsibilities across information management, security and privacy domains. We have done this to ensure that as the Ministry delivers improved and new products and services, it does so in a responsible way and builds our capabilities to leverage the value of our information for our clients and staff.

We have focused our efforts on developing and implementing a roadmap of activity to manage our risk and improve the capability across the organisation through assurance, working with delivery teams providing expert advice backed up by operational support. We have developed a set of enterprise controls that have been specifically identified to manage our risk profile and have continued to develop our assurance programme to monitor our progress.

Sharing information with other agencies

As a lead agency, we are responsible for reporting against two Approved Information Sharing Agreements (AISAs) with other agencies. One AISA is with the Ministry of Education and Oranga Tamariki for providing services to help disengaged youth move into education, employment or training, and the other is with the New Zealand Customs Service for the supply of information about arrivals into and departures from New Zealand. The reports on these AISAs can be found in Appendix 3.

Te whakapai ake i ā mātau hangarau ki te urupare ki ngā hiahia o te tangata

Improving our technology to respond to people's needs

Releasing our Technology Strategy

In 2021/22, we initiated a refresh of our Technology Strategy and our operating model for delivery technology services and systems to our staff and clients.

In March 2022, we released Tā Te Manatū Whakahiato Ora Rautaki Hangarau – MSD's Technology Strategy.⁴⁸ This strategy gives us the opportunity to realign our focus with the Programme to become a modern, digital and responsive organisation, delivering transformed experiences and outcomes for New Zealanders.

Technology will play a significant role in enabling the Programme and supporting the three strategic shifts, which will:

- Enable people and whānau to easily access information and services by delivering truly multi-channel experiences that are automated, consistent, intuitive and accessible.
- Enable our frontline staff to provide better services and outcomes by minimising routine transactions. This will help them to spend more time providing high-value support and make it simpler for them to access the information needed to truly know clients and whānau and connect them to the services they need.
- Enable community providers trusted by Māori and Pacific people to reach into their community to work in ways that truly engage and support their own communities, ensuring they are supported with the information they need.

Without our staff, our technology systems would not be able to either evolve or continue to operate. We have also been ensuring that we have the right blend of skills to both maintain our existing technologies and be prepared for technology changes as part of Te Pae Tawhiti. To support this, we have selected a partner to roll-out the Skills Framework for the Information Age (SFIA), which will enable us to better support and invest in keeping our staff's skills and practices up to date.

Existing platforms

While our Improvement, Systems, and Technology (IST) focused work has involved planning for the future, over the last year we have also been maintaining and upgrading existing technology and systems as required, as well as decommissioning technology that is no longer needed.

Over the last 12 months we have, in part:

- changed over to a new financial management system for the Ministry
- deployed a brand-new CiC model integrated with the Ministry of Health
- supported the establishment of Whaikaha – Ministry of Disabled People
- rolled-out organisation-wide digital collaboration tools using the Microsoft 365 stack of technologies
- upgraded SWIFTT, our payments platform, and decommissioned the redundant DREW application
- rolled-out new networking technology to improve security
- selected a partner to assist in the maintenance of our IBM Cúram platform (client management system)
- sought a cloud partner and have established our Amazon Web Services environment in readiness to start our cloud migration.

⁴⁸ See www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/corporate/msd-s-technology-strategy-2022.pdf

Ka āwhina ngā raraunga pai ake, ngā tātaritanga, me ngā kitenga kia tika ā mātau whakatau, kia nui ake te pūrangiaho

Improved data, analytics and insights helps us make the right decisions and increase our transparency

We produce data and analytics that help us deliver according to our purpose by aiding effective decision-making, focusing resources on the right investments, and understanding and evaluating performance.

We generate a variety of products and insights to support key frontline operations (such as case manager and service centre reporting and client service matching), performance measurement, external performance reporting, ministerial servicing, responses to official information requests, research and evaluation, policy advice, data feeds to partners and Statistics NZ's Integrated Data Infrastructure.

We created the Model Development Lifecycle

The Model Development Lifecycle⁴⁹ was created in October 2021 as a practical guide to help manage new and emerging uses of data in operational settings. This document provides guidance on the right balance between privacy and transparency, preventing unintended bias and reflecting the principles of Te Tiriti o Waitangi. It is an open-source document and can support best practice in other organisations.

From December 2021, we changed our ethnicity reporting to an approach called 'total response'

Previously, we reported ethnicity using an approach called 'prioritised ethnicity', which meant that we allocated people to a single ethnic group in an order of priority. The priority previously used was Māori, Pacific Peoples, Other and New Zealand European. A 'total response' approach recognises all aspects of someone's ethnicity, in that if a person identifies with two or more ethnicities, all will be reported on. This approach is used in most of our publicly-released information. Making this change reflects our clients more accurately, aligns our approach with Statistics NZ's reporting and reflects best practice. It allows us to represent the full diversity of communities, whānau and people in Aotearoa, and helps us make better decisions about supporting our clients.

49 See <https://msd.govt.nz/about-msd-and-our-work/work-programmes/initiatives/phrae/model-development-lifecycle.html>

Cabinet approved progressing Te Hāoroa

In December 2021, we received Cabinet approval to progress the implementation of Te Hāoroa, a multi-year programme to modernise our data and analytics capability.

Te Hāoroa will replace our current data technology platform with new technology, and it is a core enabler for delivering our strategic direction Te Pae Tawhiti – Our Future. Over the next year, we will be working on having the first data analysts on the platform, as part of progressing the implementation of Te Hāoroa. Once in place, Te Hāoroa will enable more fit-for-purpose data and analytics, as well as better information sharing with other government organisations, partners, iwi and communities.

We continued to improve public reporting

We continue to enhance our public reporting on the income support system, to improve the coverage and accessibility of information released. This year, we refreshed our weekly and monthly reporting on benefit system trends, including releasing additional commentary to support the public's understanding. We also modernised our reporting on support provided to students and released new monthly reporting on demand for housing support. During 2021/22, we published 107 key documents on MSD external website, compared to 43 in 2020/21.

We developed a new way of reporting 'total incomes'

In 2021/22, we developed a more holistic way of understanding the financial support and assistance received by families on a main benefit – called their 'total incomes'. This new measure considers main benefit payments, wages, and other supplementary and hardship assistance. It was developed as part of the Welfare Overhaul work programme and responds to Recommendation 5 of the 2019 Welfare Advisory Group report Whakamana Tāngata – Restoring Dignity to Social Security in New Zealand. In July 2022, we released our first 'total incomes' report on main benefit clients as at the end of April 2022.⁵⁰

50 See www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/working-papers/wp-total-incomes-of-msd-main-benefit-clients-as-at-april-2022.pdf

Mā te whakamahi i ngā whakaaturanga kia taea ai e te iwi o Aotearoa te toro atu ki ngā ratonga whaitake e tutuki ai ō rātau hiahia

Using evidence to ensure New Zealanders can access effective services that meet their needs

We have a significant programme of research and evaluation work that helps us understand how our services are supporting New Zealanders, and what works for specific communities and groups of people. This includes evaluations of investments like the Wage Subsidy, Oranga Mahi, the 2018 Families package and services for victims of sexual violence. This work supports strategic and investment decision-making across MSD and ensures we are providing the right support to different groups, including in a culturally-responsive way.

We published new information on the effectiveness of services to support people into work

This year we launched the Employment Assistance Evidence Catalogue,⁵¹ which provides the public with a significantly enhanced level of interactive information about the effectiveness of our employment programmes. This is an important part of providing transparency around the services we provide to support New Zealanders into work.

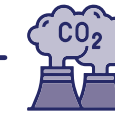
Analytics and Research in Government Internship Programme (ARG)

We are in the sixth year of running the ARG programme.⁵² This is a unique cross-government programme that aims to create a pipeline of future public servants, and is focused on increasing data, analytics and research capability within the public sector.

ARG has been successful at filling a gap in the early-in-careers market so that government agencies can access students with these high-demand skillsets. The programme has grown from four participating agencies and 10 interns, to 11 agencies and over 30 interns, many of whom are still working in the public sector in more senior roles.

⁵¹ See <https://ea.analytics.msd.govt.nz/>

⁵² See www.ilovedata.org.nz/



Carbon Neutral Government Programme (CNGP)

The Government launched its Carbon Neutral Government Programme (CNGP)⁵³ in December 2020. It is a long-term work programme that aims to make government organisations carbon neutral from 2025 and accelerate emissions reduction.

We have established the fundamentals of the MSD CNGP - put a team in place, developed data collection methodologies and produced emissions data.

We have provisionally calculated our 2021/22 carbon emissions to be 5,451 tonnes of carbon dioxide equivalent (tCO₂e), primarily from electricity, domestic flights, fleet and landfill waste. Our full emissions profile is available in Appendix 7. Toitū Envirocare undertook a preliminary audit of our data collection methodologies and data for 2021/22 in February 2022 and a final verification audit in September 2022. We expect to receive certification in mid-November 2022.

As we have minimal data available for landfill waste, water supply and wastewater, we have estimated totals using data from a small number of sites. We will continue to work with key internal and external stakeholders to improve the availability and quality of data.

We have excluded several emission sources from our inventory as current data collection methodologies are unreliable, including staff commute, consultants and outsourced services.

We changed our baseline year for emissions reduction target-setting and planning from 2021/22 to 2018/19 because of the impact of COVID-19 on activity patterns. We have collected 2018/19 data for Toitū verification and are developing targets and a reduction plan based on gross emissions reductions of 21 percent by 2025 and 42 percent by 2030.

MSD gross emissions have reduced by over 13 percent since our baseline year. This is primarily due to a reduction in domestic and international flights and accommodation and in the use of fleet and taxis resulting from COVID-19. Emissions from several sources have increased over this period, including electricity, gas and working from home.

We have started to reduce our fleet emissions by transitioning to electric vehicles. We have replaced 22 petrol vehicles with Battery Electric Vehicles (BEVs) and will be deploying an additional 27 BEVs shortly. We are planning to replace an additional 70 petrol vehicles with BEVs in 2022/23. By end 2022/23 we expect that about 25 percent of our fleet will be electric. This will reduce our fleet emissions by approximately 168 tCO₂e.

We have begun to develop an emissions reduction plan and establish the organisational framework and processes to support the delivery of emissions reductions.

We will report CNGP progress to the Ministry for the Environment in December 2022.

⁵³ Further information on the CNGP may be found at <https://environment.govt.nz/what-government-is-doing/key-initiatives/carbon-neutral-government-programme/about-carbon-neutral-government-programme/>

Te whakahaere i te whai rawa

Managing procurement

We spend over \$1 billion each year on departmental and commercial goods and services.

During 2021/22, we restructured and strengthened our commercial procurement function. We have been working to enhance procurement capabilities and ensure we meet best practice standards and compliance with Government Procurement Rules. We have:

- completed reviews and updates of procurement and contracting policies and processes across social and commercial contracts
- put in place a new operating model
- developed a strategic roadmap aimed at lifting procurement capacity and capability
- addressed and closed a number of audit recommendations aimed at strengthening procurement practice
- implemented a new financial management information system with a 'Purchase to Pay' function and, from early 2023, a Procurement and Contract Management function.

We also implemented Te Kupenga Hao Pāuaua (the Government's Progressive Procurement Policy). We estimate that we increased the number of contracts awarded to Māori-owned businesses from 12.5 percent to 14.6 percent of our social and commercial contracts. These contracts had a total value of approximately \$240 million.

Te whakahaere i tā matau kōpaki rawa ā-tari

Managing our departmental assets portfolio

We manage approximately \$301 million in departmental assets (2020/21: \$326 million), made up of \$123m (2020/21: \$139 million) of property, plant and equipment and \$178m (2020/21: \$188 million) of intangible assets.

This year, we received a capital injection of \$77 million, which included funding to improve the resilience of critical systems and on the security fit-out programme for the safety of clients and staff. We spent \$49 million (2020/21: \$91 million) on capital expenditure to maintain and upgrade our asset base.

Maintaining the suitability and availability of assets through strong asset management practice and performance monitoring is essential to optimising the value of our asset portfolio. This includes asset management planning at strategic and operational levels, and a structured approach to assessing the condition and performance of our assets with a strong base of reliable asset information.

Our Asset Performance Framework monitors and reports on our Property and Technology asset portfolios, which are described below. The performance frameworks reflect the different approaches required to manage and monitor these assets.

For details on our asset performance results and standards, refer to Appendix 4.

Property assets

These assets provide 161,000 m² of office space for our staff. These spaces are key to engaging face-to-face with clients and providing organisational support. Most space is leased rather than owned. Within the leased spaces, our assets are primarily fit-outs, furniture and security equipment.

We relocated the Napier office into new and more fit-for-purpose premises this year. The new premises provide accommodation for the Napier Service Centre and the Regional Office and Centralised Services teams and are shared with Kāinga Ora and Oranga Tamariki.

We are continuing to focus on long-term property investment planning, leveraging tenure at strategic sites and improving space utilisation, and are working proactively with the Government Property Group and other agencies to optimise office accommodation.

We provide shared service support for smaller agencies and helped set up Whaikaha – Ministry of Disabled People for 1 July 2022.

Technology assets

Our technology assets play a critical role in ensuring that we can provide services in a timely, reliable and efficient way and in accordance with current government policy and legislation. The services provided through these assets are significant, with over 380 different technology services across a range of applications.

While these technology assets are currently well maintained and reliable, they are ageing, and some are no longer fit for purpose. Tā Te Manatū Whakahiato Ora Rautaki Hangarau – MSD's Technology Strategy will provide the direction to ensure that systems we operate deliver the best outcomes to all New Zealanders while ensuring we keep their data safe and secure.

In line with the strategy, our next steps are to start working immediately to deliver core foundations and evaluations, enabling the accelerated delivery of Te Pae Tawhiti.

Foundational areas of focus include hybrid cloud technologies, security, identity, integration and automation. Work in these areas will allow us to progressively migrate existing technology systems onto modern secure platforms that better serve the needs of our clients and staff in an accessible, secure, consistent, intuitive and, where possible, automated way.

We are currently delivering on our modern digital workplace, providing our staff with new collaboration tools that enable them to work more effectively from home or elsewhere to accommodate for COVID-19 restrictions.

To ensure better governance of technology decisions, we have established the Technical Design Committee. The committee provides oversight, advice and decisions on changes to our technology, information and data across all portfolios. All technology change, whether new or existing, has governance input by the committee.

Tā mātau tauira mana whakahaere mō te takohanga me te whakatau tikanga kaha

Our governance model for accountability and strong decision- making

Our governance supports Te Pae Tawhiti – Our Future, and focuses on helping New Zealanders to be safe, strong and independent. It sets the course for our Ministry to achieve its objectives, providing leadership, continuous improvement and adding value for the long-term sustainability of the organisation.

Governance discussions and decisions actively consider the impact on, and outcomes for, Māori, acknowledging our role as partner in Te Tiriti o Waitangi.

We continue to embrace best practice governance principles as a foundation for our governance system:

- openness and transparency
- integrity and accountability
- effectiveness and delivery
- leadership
- strong decision-making
- strategic thinking
- working with agility.

Having a strong governance structure in place allows the organisation to view matters cohesively from a whole-of-Ministry perspective. This includes prioritising work and driving performance; managing risks, legislative and regulatory obligations centrally; and focusing on strategy and strategic matters.

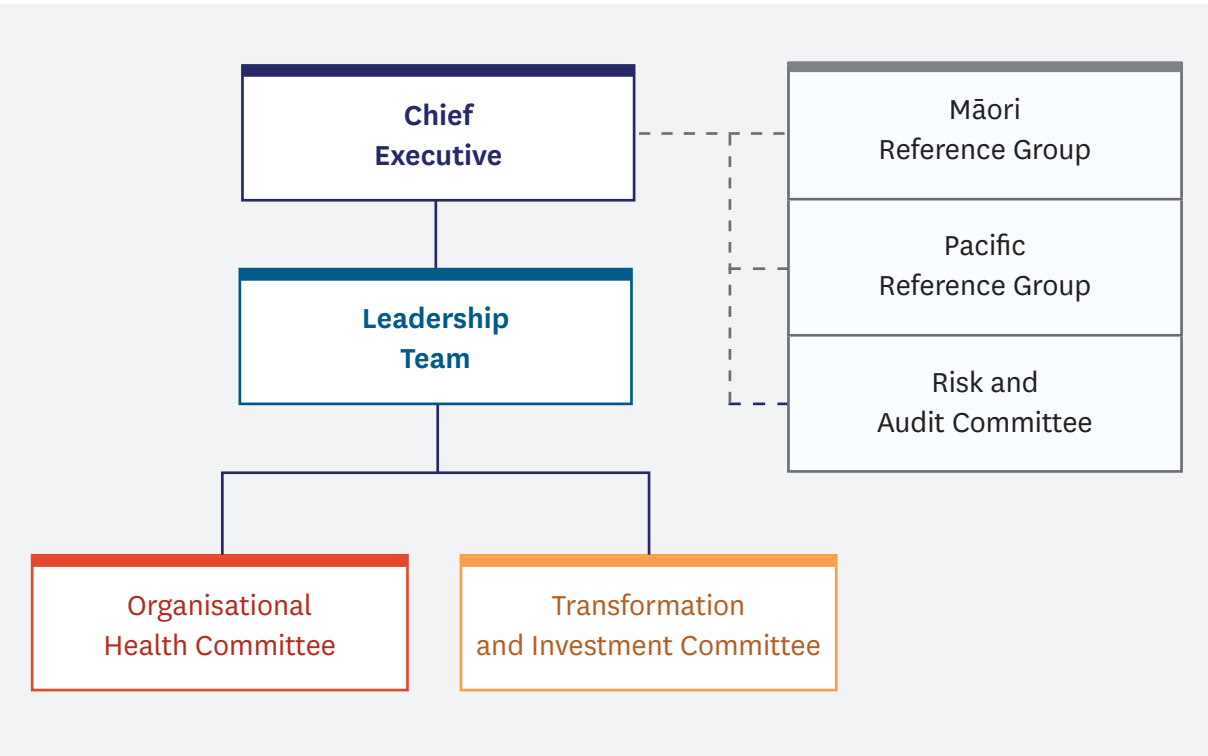
Our Leadership Team is responsible for the overall governance and management of our Ministry

Our Leadership Team is the primary governance body for our Ministry. The team is led by our Chief Executive and comprises our eight Deputy Chief Executives (DCEs) and the Director of the Office of the Chief Executive. The Leadership Team meets weekly. In 2021/22, its responsibilities included:

- leading our COVID-19 response
- overseeing organisational risk and assurance
- directing our organisational strategies and performance
- driving organisational priorities and our future operating model
- overseeing the Programme
- overseeing organisational finances
- leading a positive organisational culture.

A centralised Conflicts of Interest Register is maintained for all those in a governance role. The Leadership Team also completes annual Related Parties Transactions declarations, and a standing item on all governance meeting agendas supports acknowledgement of any emerging interests.

Our governance framework from July 2021 to June 2022



Our Leadership Team is supported by two governance committees

Two governance sub-committees assist the Leadership Team to deliver on its long-term strategic vision for the Ministry:

- the Transformation and Investment Committee
- the Organisational Health Committee.

Each committee is chaired by a member of the Leadership Team, and can make decisions on behalf of the Leadership Team in their respective areas of responsibility. Committee membership is drawn from across the organisation and brings significant strategic, financial, operational and governance expertise to support whole-of-Ministry decision making.

Transformation and Investment Committee

The purpose of the Transformation and Investment Committee is to ensure investments are robust, strategic and effective, and that organisational transformation and performance supports delivery of strategic outcomes. From September 2021, the committee also provided governance of the Te Pae Tawhiti Transformation Programme (the Programme).

Committee meetings were held fortnightly throughout the year.

The committee's key responsibilities include:

- ensuring sound investment decisions through setting priorities for investment
- providing advice and direction on the delivery of organisational strategies and the Programme
- overseeing organisational performance and accountability by ensuring integrated planning
- making strategic, design and prioritisation decisions for the Programme
- driving investment and performance maturity and capability.

The Committee Chair was Viv Rickard and the Deputy Chair was Nic Blakeley.

To complement the internal governance membership of the committee, for items relating to the Programme, external advisor roles were added to provide independent thought and challenge in governance of the Programme, and to bring experience in significant business transformation. External advisors from IRD and ACC held these roles between September 2021 and May 2022. Recruitment is underway for further external advisors from the public and private sectors.

Organisational and Health Committee

The Organisational Health Committee focuses on the high-level design and health of key corporate services, systems and capabilities, and ensures that infrastructure aligns with and supports organisational performance. Committee meetings were held fortnightly throughout the year.

The committee's key responsibilities include:

- championing staff wellbeing, organisational values and a positive work culture
- overseeing organisational integrity, risk, assets and infrastructure
- overseeing corporate strategies and our policy framework
- driving system capability and maturity
- managing oversight of our approach to the CNGP.

From 1 July 2021 to 10 June 2022, the Committee Chair was Stephen Crombie and the Deputy Chair was Nadine Kilmister. From 11 June 2022, the Chair was Nadine Kilmister and the Deputy Chair was Melissa Gill.

Our Chief Executive is supported by three independent advisory groups

Māori Reference Group

The Māori Reference Group provides a strategic reference point and advice on the design and implementation of social strategies and policies that impact Māori. It advises our Chief Executive on matters relating to positively transforming outcomes for Māori and the implementation of our policies, services and initiatives that impact Māori.

The Group is chaired by Toa Faneva and consists of eight Māori leaders who have specialist skills, knowledge and expertise in areas such as Kaupapa Māori, te reo Māori, family violence, policy, legal and social service infrastructure.

Fees for the Māori Reference Group fall under the category Group 4, Level 2 body of the Cabinet Fees Framework.

Pacific Reference Group

Our Pacific Reference Group was established in 2019 to ensure that actions and initiatives that come out of Pacific Prosperity – our Pacific Strategy and Action Plan are effective for Pacific peoples. It recognises opportunities to work more innovatively to drive the implementation of Pacific Prosperity.

The Pacific Reference Group is made up of external Pacific community leaders whose primary role is to provide advice to our Chief Executive – and in particular our Māori, Communities and Partnerships group – on matters relating to the wellbeing of Pacific peoples, families and communities. The Group is chaired by Tevita Funaki and membership consists of Pacific leaders with specialist skills, knowledge and expertise in policy, legal and social service infrastructure.

Fees for the Pacific Reference Group fall under the category Group 4, Level 2 body of the Cabinet Fees Framework.

Risk and Audit Committee

The Risk and Audit Committee has a crucial role in our governance system. It provides independent advice to our Chief Executive on risk assurance and auditing requirements for the Ministry.

In 2021/22, the committee met quarterly and provided advice and assurance on:

- the Ministry’s priorities
- financial reporting
- the Ministry’s complaints process
- risk and assurance reporting
- COVID-19 Wage Subsidy performance
- housing and income portfolios
- legislative compliance.

There are four independent external members of the committee. Members are usually appointed for a period of three years and may be reappointed for a further two years. The committee is chaired by David Smol.

Fees paid to the independent members of the Risk and Audit Committee fall under the category Group 4, Level 3 body of the Cabinet Fees Framework.

The annualised daily fee for independent members of the committee is considered as an exception to the framework with ministerial approval.



Whakahaere mōreatanga

Risk management

We are managing risks within a changing operational context.

We continue to balance the opportunities and challenges in delivering our products and services to New Zealanders. A strong risk culture enables us to navigate and flex in the context of a changing operating context impacted by external factors that are often beyond our control.

External impacts



Global economy

The financial impacts resulting from the pandemic required the development and delivery of new products and services. The recruitment and retention of staff in a highly buoyant labour market continues to require management to ensure we deliver core services.



Climate change/force majeure

Support has been provided for communities to help them to respond to and recover from flooding events, which has seen additional pressure placed on our services.

Control environment

Our risk framework is continually assessed to ensure its effectiveness. It provides staff with clear, plain language guidance and tools that enable production of consistent risk and issues assessment and management.

The Leadership Team have regular risk and issues conversations, supported by the Ministry-wide risk information. They ensure organisational risks are being managed to an acceptable level and that their expectations of all staff are clear through our values, principles and risk culture statements.

Governance committees are provided with clear risk and value information to support decision-making.

We support areas of the business to ensure that all staff are aware of any accountabilities for MSD’s control environment, and policies and processes to reduce risk are effective and consistently implemented.

Risk management looking forward

Our Ministry takes a risk-based approach, building in controls by design, and is further developing its organisational resilience. With the Programme in place, and the strategic direction set, we will ensure that our Ministry continues to maintain a risk-aware culture that sustains our ability to meet the needs of those who rely on our support now and into the future.

Te Tauākī Haepapa a te Tumuaki

Hei Tumuaki o Te Manatū Whakahiato Ora, e haepapa ana au kia:

- whakariterite i tā te Minita tauākī ahumoni me ngā tauākī whakapaunga moni, whakapaunga moni whakahaere kamupene me ngā whakawānga e whakapuakitia ana ki roto
- whai i tētahi pūnaha e kite ai ngā mahi ā-roto e tika ana, kia whakatūturu pai te pono me te whakawhirinakitanga o ngā ripoata ahumoni
- kia whakatūturu nei ngā pārongo paearu mahi mutunga tau mō ia tahua kua whakahaerehia e te Manatū e puta ana e ai ki ngā wāhanga 19A ki te 19C o te Public Finance Act 1989, ahakoa e takoto ana ēnei pārongo ki roto i tēnei pūrongo ā-tau, kāore rānei
- kia kōrero tōtika, ahakoa he aha ngā pārongo mahi paearu mutunga tau kua whakaritea e te Manatū, ahakoa e takoto ana ēnei pārongo ki tēnei pūrongo ā-tau, kāore rānei.

Ki ōku whakaaro:

- tā te pūrongo ā-tau nei, he whakaatū tika i ngā whakahaere, te anga whakamua, te oranga pai o te rōpū me te āheinga o te Manatū
- ko ngā tauākī ahumoni e whakaatu tika ana te noho ahumoni o te Manatū nō te 30 o Hune 2022 me āna whakahaere mō te tau i mutu i taua rā nei.
- ko ngā tauākī whakapaenga ahumoni e whakaatu tika ana i te nohonga whakapaenga ahumoni o te Manatū mō te 30 o Hune 2023 me āna whakahaere ka mutu hei taua rā.



Debbie Power
Tumuaki
30 Hepetema 2022

Chief Executive’s Statement of Responsibility

As Chief Executive of the Ministry of Social Development (the Ministry), I am responsible for:

- the preparation of the Ministry’s financial statements and statements of expenses and capital expenditure, and for the judgements expressed in them
- having in place a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting
- ensuring that end-of-year performance information on each appropriation administered by the Ministry is provided in accordance with sections 19A to 19C of the Public Finance Act 1989, whether or not that information is included in this Annual Report
- the accuracy of any end-of-year performance information prepared by the Ministry, whether or not that information is included in the Annual Report.

In my opinion:

- the Annual Report fairly reflects the operations, progress and organisational health and capability of the Ministry
- the financial statements fairly reflect the financial position of the Ministry as at 30 June 2022 and its operations for the year ended on that date
- the forecast financial statements fairly reflect the forecast financial position of the Ministry as at 30 June 2023 and its operations for the year ending on that date.



Debbie Power
Chief Executive
30 September 2022

Te pūrongo kaiōtita motuhake

Independent auditor's report

To the readers of the Ministry of Social Development's annual report for the year ended 30 June 2022

The Auditor-General is the auditor of the Ministry of Social Development (the Ministry). The Auditor-General has appointed me, John Whittal, using the staff and resources of Audit New Zealand, to carry out, on his behalf, the audit of:

- the financial statements of the Ministry on pages 219 to 255, that comprise the statement of financial position, statement of commitments, statement of contingent liabilities and contingent assets as at 30 June 2022, the statement of comprehensive revenue and expense, statement of changes in equity, and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information;
- the performance information prepared by the Ministry for the year ended 30 June 2022 on pages 46 to 49, 62 to 64, 157 to 218 and 310;
- the statements of expenses and capital expenditure of the Ministry for the year ended 30 June 2022 on pages 272 to 279; and
- the schedules of non-departmental activities which are managed by the Ministry on behalf of the Crown on pages 256 to 271 that comprise:
 - the schedules of assets; liabilities; commitments; and contingent liabilities and assets as at 30 June 2022;
 - the schedules of expenses; and revenue for the year ended 30 June 2022;
 - the statement of trust monies for the year ended 30 June 2022; and
 - the notes to the schedules that include accounting policies and other explanatory information.

Opinion

In our opinion:

- the financial statements of the Ministry on pages 219 to 255:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2022; and
 - its financial performance and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.
- the performance information of the Ministry on pages 46 to 49, 62 to 64, 157 to 258 and 310:
 - present fairly, in all material respects, for the year ended 30 June 2022:
 - what has been achieved with the appropriation; and
 - the actual expenses or capital expenditure incurred compared with the appropriated or forecast expenses or capital expenditure; and
 - complies with generally accepted accounting practice in New Zealand.
- the statements of expenses and capital expenditure of the Ministry on pages 272 to 279 are presented fairly, in all material respects, in accordance with the requirements of section 45A of the Public Finance Act 1989; and
- the schedules of non-departmental activities which are managed by the Ministry on behalf of the Crown on pages 256 to 271 present fairly, in all material respects, in accordance with the Treasury Instructions:
 - the assets; liabilities; commitments; and contingent liabilities and assets as at 30 June 2022; and
 - expenses; and revenue for the year ended 30 June 2022; and
 - the statement of trust monies for the year ended 30 June 2022.

Our audit was completed on 30 September 2022. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Chief Executive and our responsibilities relating to the information to be audited, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of the Chief Executive for the information to be audited

The Chief Executive is responsible on behalf of the Ministry for preparing:

- financial statements that present fairly the Ministry’s financial position, financial performance, and its cash flows, and that comply with generally accepted accounting practice in New Zealand;
- performance information that presents fairly what has been achieved with each appropriation, the expenditure incurred as compared with expenditure expected to be incurred, and that complies with generally accepted accounting practice in New Zealand;
- statements of expenses and capital expenditure of the Ministry, that are presented fairly, in accordance with the requirements of the Public Finance Act 1989; and
- schedules of non-departmental activities, in accordance with the Treasury Instructions, that present fairly those activities managed by the Ministry on behalf of the Crown.

The Chief Executive is responsible for such internal control as is determined is necessary to enable the preparation of the information to be audited that is free from material misstatement, whether due to fraud or error.

In preparing the information to be audited, the Chief Executive is responsible on behalf of the Ministry for assessing the Ministry’s ability to continue as a going concern. The Chief Executive is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of the Ministry, or there is no realistic alternative but to do so.

The Chief Executive’s responsibilities arise from the Public Finance Act 1989.

Responsibilities of the auditor for the information to be audited

Our objectives are to obtain reasonable assurance about whether the information we audited, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General’s Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of the information we audited.

For the budget information reported in the information we audited, our procedures were limited to checking that the information agreed to the Ministry’s Strategic Intentions 2021-2025 and relevant Estimates and Supplementary Estimates of Appropriations 2021/22, and the 2021/22 forecast financial figures included in the Ministry’s 2020/21 annual report.

We did not evaluate the security and controls over the electronic publication of the information we audited.

As part of an audit in accordance with the Auditor-General’s Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the information we audited, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ministry’s internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive.
- We evaluate the appropriateness of the reported performance information within the Ministry’s framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Chief Executive and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Ministry’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the information we audited or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Ministry to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the information we audited, including the disclosures, and whether the information we audited represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Chief Executive regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Chief Executive is responsible for the other information. The other information comprises the information included on pages 1 to 45, 50 to 151 and 280 to 320, but does not include the information we audited, and our auditor's report thereon.

Our opinion on the information we audited does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the information we audited or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Ministry in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

In addition to the audit, we have completed a probity assurance engagement for a payroll replacement solution and since 30 June 2022 we have commenced probity assurance engagements for two contracts, which are compatible with those independence requirements. Other than the audit and these engagements, we have no relationship with, or interests in, the Ministry.



John Whittal

Audit New Zealand

On behalf of the Auditor-General

Wellington, New Zealand





Aromatawai o ā mātau mahi

Assessing our performance

I tukuna ki te Whare Paremata i raro i te waahanga 44(1) o te Ture Moni a te Katoa 1989
Presented to the House of Representatives pursuant to section 44(1) of the Public Finance Act 1989.

Some figures in this section may differ from those published in MSD’s 2020/21 Annual Report, where these were corrected in the Erratum to the 2020/21 Annual Report, published in December 2021. To protect clients’ confidentiality MSD uses processes to make it difficult to identify an individual person or entity from published data. Some tables in this section have had random rounding to base three applied to all cell counts in the table. The impact of applying random rounding is that columns and rows may not add exactly to the given column or row totals. The published counts will never differ by more than two counts. In some places in this section information has been provided for context purposes only, as noted above those tables. This information has not been externally audited.



Output expense: Administration of Service Cards

Appropriation Minister: Minister for Social Development and Employment

Scope statement: This appropriation is limited to assessing entitlement for and issuing the Community Services Card, SuperGold Card and Veteran SuperGold Card, and providing information about the Community Services Card.

Intention statement: This appropriation is intended to achieve financial assistance to low-income New Zealanders and older people by the accurate and timely assessment and issuing of discount service cards.

Summary of performance

Non-financial performance

The efficient and accurate administration of discount cards enables more New Zealanders, including seniors, to participate more fully in society.

In 2021/22:

- the number of Community Services Cardholders decreased from 1,080,123 to 1,040,301 (3.7 percent)
- the total number of SuperGold Cardholders increased from 810,411¹ to 830,214 (2.4 percent).

We have seen a decrease in Community Services Cards issued in 2021/22 compared to the previous year, which is likely due to the initial spike of applications we experienced in 2020/21 when extending the automatic card eligibility to those in public housing or receiving an Accommodation Supplement.

The number of SuperGold Cards and Veteran SuperGold Cards issued is determined by the number of new card applicants and card renewals. In 2021/22, the number of cards issued was 251,496, compared with 294,747² in 2020/21.

2020/21 result	Measure	2021/22 standard	2021/22 result	Notes
98.9%	The percentage of card entitlement assessments completed accurately ³ will be no less than	95%	97.2%	

1 To protect clients’ confidentiality MSD uses processes to make it difficult to identify an individual person or entity from published data. The following tables have had random rounding to base three applied to all cell counts in the table. The impact of applying random rounding is that columns and rows may not add exactly to the given column or row totals. The published counts will never differ by more than two counts.

2 To protect clients’ confidentiality MSD uses processes to make it difficult to identify an individual person or entity from published data. The following tables have had random rounding to base three applied to all cell counts in the table. The impact of applying random rounding is that columns and rows may not add exactly to the given column or row totals. The published counts will never differ by more than two counts.

3 Accuracy measures the percentage of all client assessments that are processed correctly. The reported performance is based on a sample of tested applications that is considered representative of actual performance over all applications. The same basis is used for accuracy measures reported in respect of the following appropriations: Income Support and Assistance to Seniors, Management of Student Loans, Management of Student Support, Processing of Veterans’ Pensions, Services to Support People to Access Accommodation, Improved Employment and Social Outcomes Support.

2020/21 result	Measure	2021/22 standard	2021/22 result	Notes
98.6%	The percentage of card entitlement assessments completed within five working days ⁴ will be no less than	90%	99.2%	(a)

Notes

- (a) Card entitlement accuracy and timeliness standards were met comfortably this year, we have a dedicated staff in Card Services, in previous years we have built up capacity and capability which has had a positive impact on our performance.

The following information is provided for context:

	2018/19	2019/20	2020/21	2021/22
Cardholders				
• SuperGold Cards	761,008	784,592	810,411	830,214
• Veteran SuperGold Cards (subset of the above)	4,767 ⁵	4,329	4,104	3,837
• Community Services Cards	954,822	1,026,831	1,080,123	1,040,301
Cards processed per annum				
• SuperGold Cards	267,429	275,807	294,747	251,496
• Veteran SuperGold Cards (subset of the above)	1,354	1,167	2,337	894
• Community Services Cards	841,510	758,082	833,577	727,158
SuperGold cardholders who also hold a Community Services Card	319,775	323,230	332,263 ⁶	332,151

Financial performance

2020/21 Actual \$000	Financial performance (Figures are GST exclusive)	2021/22 Budgeted \$000	2021/22 Revised \$000	2021/22 Actual \$000
Revenue				
6,738	Crown	5,740	6,939	6,939
-	Department	-	-	-
-	Other	-	-	-
6,738	Total revenue	5,740	6,939	6,939
6,243	Total expense	5,740	6,939	6,904
495	Net surplus/(deficit)	-	-	35

4 Timeliness measures the length of time in working days to complete an action. The reported performance is based on a tested sample of applications that is considered representative of actual performance over all applications. The same basis is used for timeliness measures reported in respect of the following appropriations: Income Support and Assistance to Seniors, Management of Student Loans, Management of Student Support, Processing of Veterans’ Pensions, Improved Employment and Social Outcomes Support.

5 Through reviews this figure has been updated and corrected from previously reported figures.

6 Through reviews this figure has been updated and corrected from previously reported figures.



Output expense: Corporate support services

Appropriation Minister: Minister for Social Development and Employment

Scope statement: This appropriation is limited to the provision of corporate support services to other agencies.

Intention statement: This appropriation is intended to achieve quality and efficient corporate support services.

Summary of performance

Non-financial performance

We provide a range of purchased and transitional services, mainly to Whaikaha Ministry of Disabled People (a departmental agency under the Public Service Act 2020 for which certain establishment costs have been captured in the 2021/22 financial year), Oranga Tamariki, the Social Wellbeing Agency, the Ministry for Housing and Urban Development, the Independent Children’s Monitor and the Office of the Children’s Commissioner. Services provided vary by agency and can include services such as information technology, finance, human resources, legal, property and facilities, information privacy and security, and health, safety and security.

These arrangements have ensured the provision of quality and efficient corporate support services to these agencies.

In 2018 the Ministry of Social Development (MSD) and Oranga Tamariki agreed a plan to progressively move these services into Oranga Tamariki. We have now discontinued a number of the original services and we expect to complete this process by 2023. Residual information sharing will continue to be managed by a fit-for-purpose Information Agreement. Other operational co-operation may continue or evolve as a normal part of business.

We will continue to support our partners as needed on the understanding that as strategic needs or operating models change, arrangements may be reviewed.

An exemption to reporting was granted under section 15D(1) of the Public Finance Act 1989 (PFA) as this appropriation relates exclusively to outputs supplied by MSD to other departments.

Financial performance

2020/21 Actual \$000	Financial performance (Figures are GST exclusive)	2021/22 Budgeted \$000	2021/22 Revised \$000	2021/22 Actual \$000
Revenue				
-	Crown	-	-	-
56,968	Department	65,903	23,668	20,756
-	Other	-	-	-
56,968	Total revenue	65,903	23,668	20,756
56,968	Total expense	65,903	23,668	20,756
-	Net surplus/(deficit)	-	-	-



Output expense: Data, analytics and evidence services

Appropriation Minister: Minister for Social Development and Employment

Scope statement: This appropriation is limited to providing data, analytics and evidence services to better inform government decision-making.

Intention statement: This appropriation is intended to improve the design and delivery of policy and services through more effective use of data and analytics. This includes public reporting of research, evaluation and performance information and data.

Summary of performance

Non-financial performance

We continue to supply data to support the Government’s COVID-19 response through our Care in the Communities national and regional reporting, as well as reporting on the support people are receiving from community connectors and food providers.

We have progressed with the implementation of Te Hāoroa, a multi-year programme to modernise MSD’s data and analytics capability.

Our new ‘total response’ approach for reporting people’s ethnicity allows us to represent the full diversity of communities, whānau and people in Aotearoa, and helps MSD make better decisions about supporting our clients.

We released the Employment Effectiveness Evidence Catalogue to the public. The catalogue makes key operational and effectiveness data about a series of programmes available to users all in one place and in an accessible format.

Our evaluation work programme seeks to understand whether social development interventions work, for whom, and why. This year we published 16 research or evaluation reports, including:

- Evaluations of investments like Oranga Mahi, the 2018 Families package and services for victims of sexual violence.
- The 2021 overall update of the Families package, which summarises findings from monitoring reports and impact studies to date.
- Research on the housing, health and wellbeing of children in New Zealand which analysed data from the Growing Up in New Zealand Longitudinal Study. The report examines the relationship between specific housing conditions and health outcomes for children, mothers and other household members.
- Evaluation on the procurement and co-design of the Whānau Resilience programme. This qualitative evaluation focused on how MSD’s new Whānau Resilience procurement process was experienced and how this approach supported the effective co-design of whānau-centred services.

We continued to deliver an integrated understanding of the benefit system by producing a range of regular monitoring reporting and in-depth analysis including:

- Benefit fact sheets
- Monthly benefits update
- Income support weekly update
- Housing Register and Transfer Register numbers
- Quarterly student data reports
- Financial forecasts (PREFU, HYEPU and BEFU).

2020/21 result	Measure	2021/22 standard	2021/22 result	Notes
98.5%	The percentage of products and services provided that consistently reflect the Quality Framework principles ⁷ will be no less than	90%	98.3%	(a)
93.5%	The percentage of stakeholders surveyed that responded that they ‘agree’ or ‘strongly agree’ that the product(s) they received enabled them to make better decisions ⁸ will be no less than	80%	95.3%	
+1.5%	Average forecast variances for Vote Social Development Benefits or Related Expenses (BOREs) in the 12 months to June will be within the range of	+/-2%	1.25%	

Notes

- (a) We are in the process of developing a new Quality Framework and will extend the use of it to more teams within Strategy and Insights. Given the framework will take some time to embed we will maintain the 90 percent standard and will revise this once the framework is fully embedded.

The following information is provided for context:

	2018/19	2019/20	2020/21	2021/22
Key publication documents on MSD’s external website ⁹	36	47	43	107
Key publication document views/downloads from MSD’s external website	16,151	38,161	52,560	42,304
Data requests	1,550	3,639	2,133	2,202

⁷ The Quality Framework principles are: well commissioned, methodologically sound, client-focussed, builds knowledge and capability, and ethical.

⁸ This is measured every quarter using pulse-check survey results.

⁹ www.msd.govt.nz The count is limited to key publications funded by this appropriation and found within the Statistics, Research and Evaluation Reports pages located within the Publications and Resources content on the website. This consists of:

- official government statistics that we are obligated to publish and send to both to the Minister for Social Development and Employment and upload onto our website
- reports about research that our Research and Evaluation team has conducted
- reports that evaluate the effectiveness of our services.

Financial performance

2020/21 Actual \$000	Financial performance (Figures are GST exclusive)	2021/22 Budgeted \$000	2021/22 Revised \$000	2021/22 Actual \$000
Revenue				
37,151	Crown	34,140	43,505	43,505
-	- Department	-	-	-
-	- Other	-	-	-
37,151	Total revenue	34,140	43,505	43,505
32,780	Total expense	34,140	43,505	37,917
4,371	Net surplus/(deficit)	-	-	5,588



Output expense: Enhancement and promotion of SuperGold cards

Appropriation Minister: Minister for Seniors

Scope statement: This appropriation is limited to promoting, enhancing and delivering information about the SuperGold and Veteran SuperGold Cards, and enlisting businesses to provide discounts to SuperGold cardholders.

Intention statement: This appropriation is intended to recognise the valued contribution of older New Zealanders by providing easy access to discounted products and services, and information about the use of the cards.

Summary of performance

Non-financial performance

The provision of easy access to discounted products and services is an effective way of recognising the valued contribution of older New Zealanders to society.

In 2021/22:

- we signed up 541 new SuperGold Card business partners
- there were 5,632 business partners, operating from 10,930 outlets offering concessions/ discounts for SuperGold Cardholders
- the total number of website sessions¹⁰ for the entire year was 714,898, the total number of app sessions was 442,084.
- the total number of SuperGold Cardholders increased from 810,411 to 830,214 (2.4 percent).

The essential offers promotion in May 2022 was one of the most popular emails ever received by cardholders, with over 252,000 cardholders viewing the savings available (over a 60 percent open rate).

The SuperGold website has had a number of design improvements to make it more accessible. We also continued to develop functionality for the SuperGold mobile app that allows cardholders to indicate what business categories are of most interest, making it easier to find relevant offers.

¹⁰ A 'session' refers to the number of individual sessions initiated by all users of the website/app. In a session there can be multiple 'pageviews', which are individual URLs that load when a user visits the site. SuperGold app session data is available from 2021/22.

2020/21 result	Measure	2021/22 standard	2021/22 result	Notes
682	The number of new businesses joining the SuperGold Card programme will be no less than	375	541	(a)

Notes

- (a) The SuperGold business recruitment campaign that started towards the end of March 2022 paused for the Easter break, and then finished around mid-May and was a great success. It achieved a total of 267 new listings over the course of the campaign. This, coupled with consistent recruitment activity over the other months, ensured that the target was exceeded against the backdrop of what was a challenging business environment.

The following information is provided for context:

	2018/19	2019/20	2020/21	2021/22
Providers offering concessions/discounts on SuperGold Cards (at 30 June)	9,630	5,478 ¹¹	5,157	5,632
Visits to the SuperGold website	1,511,984	2,540,666	2,198,928	1,818,378
SuperGold website sessions ¹²	245,044	692,309	878,617	714,898
SuperGold app session				442,084

Financial performance

2020/21 Actual \$000	Financial performance (Figures are GST exclusive)	2021/22 Budgeted \$000	2021/22 Revised \$000	2021/22 Actual \$000
Revenue				
2,000	Crown	1,700	1,700	1,700
-	Department	-	-	-
-	Other	-	-	-
2,000	Total revenue	1,700	1,700	1,700
1,296	Total expense	1,700	1,700	1,534
704	Net surplus/(deficit)	-	-	166

11 The decline in the number of providers offering concessions/discounts in 2019/20 arises from the findings of work to check providers' details before the launch of the new SuperGold website and app, which revealed that a significant number of providers had ceased to operate.

12 The MSD SuperGold app was launched in October 2019 and we have started to record on the number of app sessions for 2021/22. MSD has been able to record the number of website sessions and have provided this information for comparison between the number of website session and app sessions.



Output expense: Establishing a Ministry for Disabled People

Appropriation Minister: Minister for Disability Issues

Scope statement: This appropriation is limited to establishing, and managing the transition to, a Ministry for Disabled People.

Intention statement: This appropriation is intended to achieve the establishment of a Ministry for Disabled People to provide leadership, stewardship, and co-ordination of the cross-government disability system.

Summary of performance

In October 2021, the Government announced a new Ministry for Disabled People¹³ would be established as a departmental agency hosted by MSD. MSD led the Establishment Unit to set up the Ministry for Disabled People.

Throughout 2021/22 we:

- recruited a director for the Establishment Unit
- stood up the Establishment team
- established governance arrangements incorporating the voice of disabled people
- ran an engagement process for the transfer of staff from the Ministry of Health to Whaikaha – Ministry of Disabled People
- agreed the service agreements between Whaikaha – Ministry of Disabled People and MSD/Ministry of Health and Health NZ
- communicated with the service providers on 1 July 2022 that Whaikaha – Ministry of Disabled People was the new owner of their contacts and that nothing had changed for the providers regarding terms and conditions.
- prepared policy work, including the development of budget and legislative bids.

The Establishment Unit continued to work hard to ensure that Whaikaha – Ministry of Disabled People was successfully launched on 1 July 2022.

13 'Ministry for Disabled People' was a temporary name for the new Ministry prior to its establishment on 1 July 2022. The name of the new Ministry has since been confirmed as 'Whaikaha – Ministry of Disabled People'. Both names are used interchangeably in this section to remain consistent with wording published in the annual Vote Social Development Estimates of Appropriations.

Non-financial performance

2020/21 result	Measure	2021/22 standard	2021/22 result	Notes
-	The establishment unit will be created and its associated governance groups fully operational no later than 28 February 2022	Achieved	Achieved	
-	The Ministry for Disabled People will have completed all staff transfers into the organisation by 30 June 2022	Achieved	Achieved	
-	The Ministry for Disabled People will have budgets, appropriation structures, and financial processes established and in place (including the bank accounts, financial information systems, charts of accounts, general ledger, delegations and authorities in place) by 30 June 2022	Achieved	Achieved	

Financial performance

2020/21 Actual \$000	Financial performance (Figures are GST exclusive)	2021/22 Budgeted \$000	2021/22 Revised \$000	2021/22 Actual \$000
	Revenue			
-	Crown	-	6,500	6,500
-	Department	-	-	-
-	Other	-	-	-
-	Total revenue	-	6,500	6,500
-	Total expense	-	6,500	3,740
-	Net surplus/(deficit)	-	-	2,760



Output expense: Establishment of Independent Monitor of the Oranga Tamariki system

Appropriation Minister: Minister for Social Development and Employment

Scope statement: This appropriation is limited to establishing an Independent Monitor and assurance function to provide oversight of the Oranga Tamariki system.

Intention statement: This appropriation is intended to achieve the establishment of a strengthened independent monitoring and assurance function to support objective assessment of the quality and extent of compliance with, and delivery of, the Oranga Tamariki Act 1989 and related regulations and standards.

Summary of performance

Non-financial performance

Throughout 2021/22, the Independent Children’s Monitor (the Monitor) has continued to refine its monitoring approach and building capability to carry out its current monitoring function of assessing agency compliance with the Oranga Tamariki (National Care Standards and Related Matters) Regulations 2018 (NCS Regulations).

The Monitor also started working on expanding that approach so that it will be ready to monitor the whole of the Oranga Tamariki system once enabling legislation beigns. This has included engaging with communities and agencies on what they expect the Independent Monitor to be reporting on.

2020/21 result	Measure	2021/22 standard	2021/22 result	Notes
-	Report provided to the Minister for Social Development and Employment and other key ministers, including the Minister of Finance on progress with establishing the new department agency and associated implications by 31 December 2021.	Achieved	Achieved	
-	Report provided to the Minister for Social Development and Employment and other key ministers, including the Minister of Finance on progress with establishing the Independent Monitor of the Oranga Tamariki system by 30 June 2022.	Achieved	Achieved	(a)

Notes

- (a) To allow for information that was being presented to the Select Committee on 22 June 2022 to be included in this report, the Minister of Social Development and Employment extended the agreed date for provision of this report from 30 June 2022 to 21 July 2022. This report was subsequently provided to the Minister for Social Development and Employment within this new deadline.

Financial performance

2020/21		2021/22	2021/22	2021/22
Actual	Financial performance	Budgeted	Revised	Actual
\$000	(Figures are GST exclusive)	\$000	\$000	\$000
Revenue				
5,760	Crown	-	700	700
-	Department	-	-	-
-	Other	-	-	-
5,760	Total revenue	-	700	700
3,523	Total expense	-	700	151
2,237	Net surplus/(deficit)	-	-	549



Output expense: Historic claims resolution

Appropriation Minister: Minister for Social Development and Employment

This multi-year appropriation commenced on 1 July 2020, replacing the former *Historic claims* multi-year appropriation, which was disestablished from that date and expires on 30 June 2024.

Scope statement: This appropriation is limited to resolving claims of people who report experiencing abuse or neglect prior to 1 April 2017 while in the care, custody, guardianship, or came to the notice, of the State (but are not currently under the sole guardianship of the State), including assisting and responding to reviews and inquiries of the historic child welfare system and the redress and rehabilitation process.

Intention statement: This appropriation is intended to provide a redress process to people who believe they were harmed while in the care, custody, guardianship or oversight of the State, as well as responding to the Royal Commission of Inquiry on the redress and rehabilitation processes and the historic child welfare system.

Summary of performance

Non-financial performance

Our Historic Claims Unit provides a redress process for people who were harmed while in the care, custody, guardianship or oversight of the State, and supports the Royal Commission of Inquiry on the redress and rehabilitation processes and the historic child welfare system.

Although the number of claims that we have been able to progress in 2021/22 is greater than in the previous financial year, it is still lower than anticipated. Our numbers have been impacted by: the continuing effects of COVID-19 (including lock-downs); the need to divert resource to respond to Royal Commission requests; and the delay of a substantial number of claims while we worked through key legal issues by developing and implementing two policy-based payment frameworks that respond to instances of potential inappropriate detention and potential breaches of the New Zealand Bill of Rights Act 1990.

2020/21		2021/22	2021/22	
result	Measure	standard	result	Notes
168	The number of assessments completed ¹⁴ will be no less than	1,864 by 30 June 2023 ¹⁵	335	(a)
4.3 years	The average time taken to resolve a claim will continue to reduce, ¹⁶ taking no more than	3.5 years by 30 June 2023	4.9 years	(b)
90.0%	The percentage of claimants who report that they agree or strongly agree that they feel respected in their interaction with Historic Claims ¹⁷ will be no less than	80%	95.0%	

14 Since 1 July 2019.

15 This measure counts each assessment, so that if a claimant has both a claims assessment and then a review of their claim, this will be counted as two assessments to represent the volume and workflow.

16 The average waiting time for a claimant to resolve their claim is subject to the volume of claims, staff availability, and if the claimant chooses to delay the process.

17 Feedback can be provided online or by way of completing a paper-based survey and is sought at different points through the claims process following direct engagement with the claimant. The result excludes claimants for whom we have no direct contact (eg, represented claimants).

Notes

- (a) This measure is a multi-year measure with the total number of claims completed between 1 July 2019 and 30 June 2022 being 791. Although the number of claims that we have been able to progress in 2021/22 is greater than in the previous financial year, it is still lower than anticipated. Our numbers have been impacted by the continuing effects of COVID-19 (including lock-downs), the need to divert resource to respond to Royal Commission requests, and the delay of a substantial number of claims while we worked through key legal issues by developing and implementing two policy-based payment frameworks that respond to instances of potential inappropriate detention and potential breaches of the New Zealand Bill of Rights Act 1990.
- (b) In 2018, we implemented a new operating model. At that time, the average time to resolve a claim was 5.5 years. Since then, there has been an improvement in the average time taken to resolve a claim, although this measure has increased from 4.3 years in 2020/21 to 4.9 years in 2021/22. In 2021/22, we have resolved a number of older claims that had been delayed by developing and implementing two policy-based payment frameworks that respond to instances of potential inappropriate detention and potential breaches of the New Zealand Bill of Rights Act 1990. Resolving these delayed claims was a positive result for those claimants whose claims were completed.

The following information is provided for context:

	2018/19	2019/20	2020/21	2021/22
Claims received	765	402	565	485
Claims closed ¹⁸	88	125	217	160
Claims in process at 30 June	2,062	2,339	2,687	3,005

Financial performance

2020/21		2021/22	2021/22	2021/22
Actual	Financial performance	Budgeted	Revised	Actual
\$000	(Figures are GST exclusive)	\$000	\$000	\$000
Revenue				
19,129	Crown	29,746	24,746	19,950
-	Department	-	-	-
-	Other	-	-	-
19,129	Total revenue	29,746	24,746	19,950
19,129	Total expense	29,746	24,746	19,950
-	Net surplus/(deficit)	-	-	-

¹⁸ Includes claims where payment was made, or no payment was made, or the claim did not progress. The number of claims closed for the F21/22 year is less than the previous financial year as a substantial number of settlement offers were delayed in the first half of the F21/22 year while some legal issues were worked through. These issues were resolved when a policy-based payment framework to recognise instances of potential inappropriate detention was implemented into the Historic Claims assessment process in December 2021 enabling many of these delayed claims to be progressed. However, it has taken some time to progress settlement offers for these claims which has impacted upon the number of claims closed.



Output expense: Income Support and Assistance to Seniors

Appropriation Minister: Minister for Social Development and Employment

Scope statement: This appropriation is limited to processing and administering New Zealand Superannuation payments, social security entitlements and international social security agreements to older persons, providing advice to older persons, and assessing financial entitlement to residential subsidies.

Intention statement: This appropriation is intended to achieve the accurate and timely assessment and payment of entitlements to older people.

Summary of performance

Non-financial performance

In 2021/22:

- the number of people on New Zealand Superannuation increased from 837,549 to 858,390 (2.5 percent)
- we processed 59,202 applications for New Zealand Superannuation
- the number of people receiving a New Zealand benefit overseas increased from 63,521 to 64,296 – of these the number of people receiving New Zealand Superannuation overseas increased from 59,847 to 60,678.
- the number of people living in New Zealand but receiving a pension from an overseas country decreased from 96,486 to 95,799.¹⁹

Performance results were impacted by the response to COVID-19, which included redeployment of staff to assist in areas of hardship payments. An issue with the processing system in the latter half of 2021/22 affected the timeliness of assessments, as outlined below. This issue has since been resolved.

2020/21		2021/22	2021/22	
result	Measure	standard	result	Notes
95.0%	The percentage of entitlement assessments for payment of entitlements to older people completed accurately will be no less than	95%	96.0%	
88.9%	The percentage of entitlement assessments for payment of entitlements to older people finalised within standard timeframes will be no less than	90%	86.6%	(a)

Notes

- (a) The Ministry has worked to improve results in this area. In the latter half of 2021/22, there was an issue with the processing system that distributes work to staff, which has negatively impacted this year’s result. This issue has since been resolved and we expect performance results to improve in future.

¹⁹ Reporting improvements have been incorporated for clients living in New Zealand and in receipt of an Overseas Pension, and the previous year figure has been updated to match these improvements.

The following information is provided for context:

	2018/19	2019/20	2020/21	2021/22
New Zealand Superannuation applications processed				
• Qualified ²⁰	59,340	57,314	61,845	59,124
• Non-qualified	4,776	5,314	2,862	78
Percentage of applications made online	38.9% ²¹	45.8%	47.9%	66.0%
Number of NZS clients	781,437	809,001	837,549	858,390

Financial performance

2020/21		2021/22	2021/22	2021/22
Actual	Financial performance	Budgeted	Revised	Actual
\$000	(Figures are GST exclusive)	\$000	\$000	\$000
Revenue				
63,074	Crown	64,081	53,233	53,233
	- Department	-	-	
	- Other	-	-	
63,074	Total revenue	64,081	53,233	53,233
61,838	Total expense	64,081	53,233	52,739
1,236	Net surplus/(deficit)	-	-	494

20 'Qualified' means an application that does not include a request for payment to a spouse who is under the age to qualify in their own right for New Zealand Superannuation. 'Non-qualified' has a corresponding meaning. The New Zealand Superannuation and Veteran's Pension Legislation Amendment Act 2020 has from 9 November 2020 removed the right of non-qualified spouses to be included.

21 This percentage was transposed to 39.8 percent in previous reports but has now been corrected to 38.9 percent.



Output expense: Independent Monitoring and Assurance of the Oranga Tamariki System

Appropriation Minister: Minister for Social Development and Employment

Scope statement: This appropriation is limited to independent monitoring of compliance with, and delivery of, the Oranga Tamariki Act 1989 and related regulations and standards.

Intention statement: This appropriation is intended to achieve a strengthened independent monitoring and assurance function to provide oversight of the Oranga Tamariki system.

Summary of performance

Non-financial performance

Independent monitoring of the Oranga Tamariki system began on 1 July 2019, with an initial focus on monitoring compliance with regulations 69/85 of the Oranga Tamariki (National Care Standards and Related Matters) Regulations 2018.

In 2021/22 the Independent Children’s Monitor (the Monitor) continued to strengthen the independent monitoring and assurance function to provide oversight of the Oranga Tamariki system.

From January 2021, the Independent Monitor began monitoring agency compliance with all the National Care Standards (NCS) Regulations. In December 2021, the Independent Monitor’s first annual report on agency compliance all the NCS Regulations was provided to the Minister for Children and published on 1 February 2022. The report was informed by data provided by the care agencies, and information gathered from the Independent Monitor’s visits to six communities (the voices of those experiencing the care system, including tamariki).

The Independent Monitor’s programme of visits to communities continued throughout this year with an additional five communities visited. These voices and insights will inform the Independent Monitor’s next report on the NCS Regulations, to be provided to the Minister for Children in December 2022.

2020/21		2021/22	2021/22	
result	Measure	standard	result	Notes
Achieved	Reports on the Monitor’s findings in relation to compliance with the Oranga Tamariki (National Care Standards and Related Matters) Regulations will be provided to the Minister for Children within timeframes agreed with the Minister	Achieved	Achieved	

Financial performance

2020/21 Actual \$000	Financial performance (Figures are GST exclusive)	2021/22 Budgeted \$000	2021/22 Revised \$000	2021/22 Actual \$000
Revenue				
4,841	Crown	10,500	12,034	12,034
-	Department	-	-	-
-	Other	-	-	-
4,841	Total revenue	10,500	12,034	12,034
3,960	Total expense	10,500	12,034	7,700
881	Net surplus/(deficit)	-	-	4,334



Output expense: Investigating and Responding to Alleged Social Work Offending

Appropriation Minister: Minister for Social Development and Employment

Scope statement: This appropriation is limited to services to investigate and respond to alleged offending under the Social Workers Registration Act 2003.

Intention statement: This appropriation is intended to achieve protection for the public from harm caused by people practising as a social worker who may not be qualified or competent to practice as one.

Summary of performance

Non-financial performance

Currently, Te Kāhui Kāhu is responsible for responding to notifications about non-registered persons practising/presenting themselves as social workers. The Social Worker Registration Board is specifically responsible for social worker registration and responding to complaints about registered social workers. A key focus of our work will be education – we want to ensure the sector has the information it needs to comply.

2020/21 result	Measure	2021/22 standard	2021/22 result	Notes
-	The percentage of stakeholders surveyed who rate the action taken by MSD to prevent people practicing as social workers, who are not registered, as effective will be no less than	75%	No result	(a)

Notes

- (a) Stakeholders will include selected Ministers, the Aotearoa New Zealand Association of Social Workers, educators and employers. This function was transferred to Te Kāhui Kāhu in late 2021. We received six complaints in 2021/22, which were still under investigation, therefore conducting a survey of effectiveness of action taken was not considered appropriate.

Financial performance

2020/21 Actual \$000	Financial performance (Figures are GST exclusive)	2021/22 Budgeted \$000	2021/22 Revised \$000	2021/22 Actual \$000
Revenue				
-	Crown	500	300	300
-	Department	-	-	-
-	Other	-	-	-
-	Total revenue	500	300	300
-	Total expense	500	300	-
-	Net surplus/(deficit)	-	-	300



Output expense: Investigation of Overpayments and Fraudulent Payments and Collection of Overpayments

Appropriation Minister: Minister for Social Development and Employment

Scope statement: This appropriation is limited to services to minimise errors, fraud and abuse of the benefit system and income-related rent, and services to manage the collection of overpayments, recoverable assistance loans and other balances owed by former clients.

Intention statement: This appropriation is intended to achieve a welfare system that operates with fairness and integrity by ensuring that the right people receive the right entitlements and assistance and identifies and resolves overpayments.

Summary of performance

Non-financial performance

Our Client Service Integrity group has had a key role in supporting the COVID-19 response, including managing Wage Subsidy integrity checks, resolving complaints and conducting thorough investigations for each scheme. This has seen ongoing investigations into claimants of the Wage Subsidy continue to impact our ability to focus on client integrity investigations.

However, we have continued to respond to benefit fraud allegations through early intervention and facilitation where appropriate and, as Wage Subsidy investigations are concluded, additional resources will be reallocated to client integrity investigation work, reducing the impact over time.

2020/21 result	Measure	2021/22 standard	2021/22 result	Notes
67.5%	The percentage of cases of suspected fraud that are resolved through non-investigative intervention ²²	60%	89.0%	(a)
50.5%	The percentage of fraud cases ²³ responded to through an investigations process that result in an entitlement change will be no less than	55%	55.6%	
66.8%	The percentage of non-current debt arrangements that remain in place for at least 60 days ²⁴ will be no less than	66%	61.4%	(b)

22 Non-investigative interventions are made up of:

- Early intervention - engaging with clients early to discuss any integrity issues raised, confirm obligations and adjust entitlements where appropriate.
- Facilitation - working more intensively with a client to assess their situation against their entitlements and adjust these entitlements where necessary. This could mean an overpayment for a client in some situations.

23 This refers to the number of people that are subject to an investigation by specialist fraud staff. One investigation can involve multiple people.

24 We work with clients to arrange a rate of repayment that they can sustain based on their income levels.

Notes

- (a) This higher than usual result is due to specialist fraud staff managing both Wage Subsidy and benefit system investigations, resulting in a smaller number of benefit system investigations completed, compared to the number of non-investigative interventions completed.
- (b) Overall, the ability of clients who are not receiving a main benefit to sustain their debt repayment arrangements and repayment levels has continued to be impacted by the economic impacts of COVID-19 and/or wider economic issues (eg. rising housing costs and inflation/living costs).

Also, a previous process change saw debt deductions for some clients receiving non-beneficiary assistance being classified as ‘current debtors’, so their repayments are no longer included in the result for this measure. The impact of this is estimated at around 2-3 percent and consideration will be given to adjusting the measure to better reflect actual performance.

The following information is provided for context:

	2018/19	2019/20	2020/21	2021/22
Integrity intervention cases ²⁵	211,173	152,223	88,026	146,811
Cases completed by Fraud Intervention Services	5,385	5,235	4,899	4,695
Non-current debtors ²⁶	203,526	196,740	213,876	236,235
Completed prosecutions ²⁷	129	63	60	36

Financial performance

2020/21 Actual \$000	Financial performance (Figures are GST exclusive)	2021/22 Budgeted \$000	2021/22 Revised \$000	2021/22 Actual \$000
Revenue				
59,033	Crown	54,527	49,327	49,327
-	- Department	-	-	-
-	- Other	-	-	-
59,033	Total revenue	54,527	49,327	49,327
57,743	Total expense	54,527	49,327	48,956
1,290	Net surplus/(deficit)	-	-	371

25 We currently work with six other government agencies and most of the process is automated.

26 Non-current debtors are people who are no longer in receipt of a main benefit but still have an open debt that they need to repay. We have changed how we calculate these figures to align with other reporting.

27 The overall decline in prosecutions in recent years reflects three broad factors: an increased focus on non-investigative prevention and early intervention approaches; the impact of the 2019 Office of the Privacy Commissioner Inquiry into the use of Section 11, which meant existing prosecutions needed to be paused and reviewed; and the impacts of COVID-19 which saw the diversion of Investigator resources to Wage Subsidy Integrity work as well as delays to Court processes.



Output expense: Management of Student Loans

Appropriation Minister: Minister of Revenue

Scope statement: This appropriation is limited to assessing, administering, processing and reviewing entitlements for Student Loan payments and providing guidance to students making financial and study decisions.

Intention statement: This appropriation is intended to achieve reduced financial barriers to tertiary study by providing accurate and timely assessment and payment of Student Loans.

Summary of performance

Non-financial performance

Timely and accurate assessment and payment of Student Loans helps reduce financial barriers for students, enabling them to access tertiary study.

In 2021/22, we processed 175,698 Student Loan applications, around 31,500 fewer than during 2020/21.

The reduction in applications may signal that Student Loan borrower numbers are returning to the downward trend seen pre-COVID-19, and this is further indicated by a reduction in borrowers in the first half of 2022 compared with the same period last year. The number of borrowers may be influenced by reduced unemployment and increases in the cost of living, alongside increased funding for a range of paid training and employment support opportunities, such as Apprenticeship Boost, Flexi-wage and Mana in Mahi.

In addition, other factors may have contributed to a reduction in the number of applications submitted by individual borrowers. For example, some students affected by the 2021 Auckland lockdown had their enrolments extended to allow them to complete their study, and uncertainty about the ongoing impacts of the pandemic may have caused some students to delay study decisions.

2020/21 result	Measure	2021/22 standard	2021/22 result	Notes
99.9%	The percentage of entitlement assessments for a Student Loan completed accurately ²⁸ will be no less than	95%	100%	
99.9%	The percentage of initial entitlement assessments for a Student Loan completed within five working days ²⁹ will be no less than	95%	100%	

²⁸ This refers to the assessment that advised the student of a finalised outcome of the application (whether it was approved or declined).
²⁹ The initial entitlement assessment is the first assessment to occur on the application – it does not include any subsequent action required, eg where a student has provided incorrect or incomplete information and is required to correct it. Timeliness is counted from the date the application is received to the date the application is first assessed.

The following information is provided for context:

	2018/19	2019/20	2020/21	2021/22
Student Loan applications received	198,017	200,124	207,270	175,698
	2018	2019	2020	2021
Student Loan borrowers we have made payments to (by calendar year)	154,608	149,229	148,905	146,994

Financial performance

2020/21 Actual \$000	Financial performance (Figures are GST exclusive)	2021/22 Budgeted \$000	2021/22 Revised \$000	2021/22 Actual \$000
Revenue				
23,373	Crown	20,387	24,887	24,887
	- Department	-	-	-
	- Other	-	-	-
23,373	Total revenue	20,387	24,887	24,887
22,759	Total expense	20,387	24,887	24,523
614	Net surplus/(deficit)	-	-	364



Output expense: Management of Student Support

Appropriation Minister: Minister for Social Development and Employment

Scope statement: This appropriation is limited to managing non-recoverable financial support to students, involving assessing, administering and processing Student Allowance payments and other income support to eligible secondary and tertiary students.

Intention statement: This appropriation is intended to achieve reduced financial barriers to tertiary study by providing accurate and timely assessment and payment of non-recoverable financial support for students.

Summary of performance

Non-financial performance

Timely and accurate assessment and payment of Student Allowances helps reduce financial barriers for students, enabling them to access tertiary study.

We processed 91,071 Student Allowance applications, around 26,000 fewer than during 2020/21.

The reduction in applications may signal that Student Allowance recipient numbers are returning to the downward trend seen pre-COVID-19, and this is further indicated by a reduction in the number of recipients in the first half of 2022 compared with the same period last year. The number of Student Allowance recipients may be influenced by reduced unemployment and increases in the cost of living, alongside increased funding for a range of paid training and employment support opportunities, such as Apprenticeship Boost, Flexi-wage and Mana in Mahi.

Also, other factors may have contributed to a reduction in the number of applications submitted by individual students. For example, some students affected by the 2021 Auckland lockdown had their enrolments extended to allow them to complete their study, and uncertainty about the ongoing impacts of the pandemic may have caused some students to delay study decisions.

The following information is provided for context:

	2018/19	2019/20	2020/21	2021/22
Student Allowance applications processed	113,146	108,549	117,294	91,071
	2018	2019	2020	2021
Student Allowance recipients (calendar year)	64,728	62,495	61,722	62,814

Financial performance

2020/21		2021/22	2021/22	2021/22
Actual	Financial performance	Budgeted	Revised	Actual
\$000	(Figures are GST exclusive)	\$000	\$000	\$000
Revenue				
23,390	Crown	20,509	25,009	25,009
	- Department	-	-	-
	- Other	-	-	-
23,390	Total revenue	20,509	25,009	25,009
22,769	Total expense	20,509	25,009	24,532
621	Net surplus/(deficit)	-	-	477

2020/21		2021/22	2021/22	
result	Measure	standard	result	Notes
97.0%	The percentage of entitlement assessments for a Student Allowance completed accurately ³⁰ will be no less than	95%	99.0%	
100%	The percentage of initial entitlement assessments for a Student Allowance completed within five working days ³¹ will be no less than	95%	99.7%	

30 This refers to the assessment that advised the student of a finalised outcome of the application (whether it was approved or declined).
31 The initial entitlement assessment is the first assessment to occur on the application – it does not include any subsequent action required, eg. where a student has provided incorrect or incomplete information and is required to correct it. Timeliness is counted from the date the application is received to the date the application is first assessed.



Output expense: Planning, Correspondence and Monitoring

Appropriation Minister: Minister for Social Development and Employment

Scope statement: This appropriation is limited to providing planning, reporting and monitoring advice (other than policy decision-making advice) on Crown entities, statutory appointment advice on Crown entities and statutory tribunals, and correspondence services to support Ministers³² to discharge their portfolio responsibilities.

Intention statement: This appropriation is intended to achieve effective and efficient ministerial, advisory and administrative services to support Ministers to discharge their portfolio responsibilities.

Summary of performance

The role of this appropriation is to support good governance, accountability and transparency.

Crown Entity Monitoring

We assisted the Minister for Social Development and Employment to carry out her role as responsible Minister for: the Office of the Children's Commissioner; Peke Waihanga (New Zealand Artificial Limb Service); and the Social Worker's Registration Board. This included nine reports with advice on Crown entity accountability reports (including statements of intent, statements of performance expectations, payment and reporting schedule, quarterly reports and annual reports) and 16 reports with advice on Crown entity and statutory body member appointments. We also prepared 13 aide-memoires for the Minister to support the Minister with her meetings with the Chairs and Chief Executives of the Crown Entities and other agencies that have asked to meet with her. There were four reports prepared for the Minister providing advice on matters that fall within her portfolio such as the Peke Waihanga's proposal to establish a trust, establishing of the new Independent Children's Monitor as a departmental agency and the transfer of Children's Commissioner Plan funding.

We also provided the Minister with advice on increasing diversity, future planning and creating a succession pipeline for recruitment on boards and statutory bodies.

Ministerial and Executive Services

Our Ministerial and Executive Services team covers three areas of work: Official and Parliamentary Information, Correspondence, and the Client Advocacy and Review (CAR).³³

In 2021/22, we:

- received 4,638 Review of Decision applications
- resolved 4,407 review applications of which 74 percent of cases were resolved prior to progressing to a formal Benefits Review Committee
- held 1,085 Benefit Review Committee hearings in which 84 percent of cases were upheld, six percent were partially upheld, and 10 percent were overturned.

The team is also responsible for the co-ordination of MSD's responses to complaints received through the Office of the Ombudsman and the Office of the Privacy Commissioner.

In 2021/22, MSD received 220 notifications of complaints through the Office of the Ombudsman, 202 of which were under the Ombudsmen Act 1975 while 18 were under the Official Information Act 1982.

The Ombudsman formed an adverse opinion of MSD's actions in two cases. In 70 cases, MSD's actions were upheld, while in the remaining 154 cases the Ombudsman decided to take no further action.

In 2021/22, we received three notifications of complaints through the Office of the Privacy Commissioner.

The Office of the Privacy Commissioner closed nine cases in 2021/22 and formed an adverse opinion of MSD's actions in one case, with the issues later being rectified. In the remaining eight cases the Privacy Commissioner decided to take no further action.

Also, the CAR team manages MSD's relationships with beneficiary advocacy groups, community representatives and other stakeholders who represent clients' interests.

Official and Parliamentary Information and Correspondence are reported on in the below performance measures with further contextual information on page 186.

2020/21 result	Measure	2021/22 standard	2021/22 result	Notes
Crown entity monitoring				
100%	The percentage of all reports provided to responsible Ministers within agreed timeframes in relation to either the accountability of Crown entities or appointments to Crown entities and/or statutory tribunals will be no less than	100%	100%	(a)
Ministerial and executive services				
100%	The percentage of draft written Parliamentary questions, ministerial correspondence and Official Information Act replies provided to Ministers that meet the agreed quality and timeliness standards ³⁴ will be no less than	95%	99.8%	

32 Excluding the Minister for Seniors, whose ministerial services are provided under the *Promoting Positive Outcomes for Seniors* appropriation.

33 The CAR team oversees the administration and implementation of the Benefits Review Committee process and ensures that they operate to National standards.

34 The quality standard is that a draft provided for the Minister's signature is factually accurate, meets any legislative requirements and contains no avoidable errors. Agreed timeframes are:

- ministerial correspondence replies completed within 20 working days of receipt by the Ministry, unless otherwise agreed
- responses to written Parliamentary questions provided to the Minister's Office so that answers can meet the timeframe set in Parliamentary Standing Orders
- replies to ministerial Official Information Act requests completed five working days prior to the statutory time limit, unless otherwise agreed.

Notes

- (a) Some agreed timeframes were extended by Ministers to accommodate for a delay in receiving final audit opinions for 2020/21 Annual Reports, which impacted the presentation of those reports. This also impacted 2021/22 Crown entity accountability documents where these include audited results from the previous year. The newly agreed timeframes were all met.

The following information is provided for context:

	2018/19	2019/20	2020/21	2021/22
Crown Entity Monitoring				
Crown entities monitored	3 ³⁵	3	3	3
Crown entity accountability documents assessed for monitoring purposes	21	21	22	9
Ministerial appointment processes supported ³⁶	6	2	17	9
Ministerial and Executive Services				
Ministerial correspondence replies drafted	1,170	1,197	1,077	800
Written Parliamentary question replies drafted	815	4,807 ³⁷	2,570	2,713
Official Information Act replies drafted	100	71	43	128
Information requests from Ministers' Offices completed	1,360	2,556	1,958	2,212
On behalf of MSD's Chief Executive				
Official Information Act request replies	566	648	906	867
Letters (including electronic)	1,054	1,153	1,395	1,164

Of the cases resolved, 3,256 (74%) were resolved prior to the Benefit Review Committee (BRC) stage, of which 1,904 (41%) were withdrawn and 1,352 (31%) were overturned at the internal review stage.

1,085 Review of Decisions were resolved by the BRC in the period 1 July 2021 to 30 June 2022. Of these 916 (84%) confirmed (upheld) the original decision by the Ministry of Social Development; 61 (6%) varied (partly upheld) the original decision by the Ministry and 105 (10%) were revoked (overturned). Three were outside the jurisdiction of the BRC.

35 The Families Commission (Superu) was disestablished on 30 June 2018. However, we continued to manage its residual assets until 30 June 2019.

36 This excludes support of appointment processes to statutory tribunals that are not Crown entities, such as the Social Security Appeal Authority, the Student Allowance Appeal Authority and the Social Workers Complaints and Disciplinary Tribunal. From 2020/21 the appropriation scope statement has been expanded to include these tribunals.

37 This includes 2,364 questions received in July 2019 alone that sought information on benefit and grant receipt across all service centres.

Financial performance

2020/21		2021/22	2021/22	2021/22
Actual	Financial performance	Budgeted	Revised	Actual
\$000	(Figures are GST exclusive)	\$000	\$000	\$000
Revenue				
8,078	Crown	7,423	5,723	5,723
-	Department	-	-	-
-	Other	-	-	-
8,078	Total revenue	7,423	5,723	5,723
7,731	Total expense	7,423	5,723	5,269
347	Net surplus/(deficit)	-	-	454



Output expense: Policy Advice

Appropriation Minister: Minister for Social Development and Employment

Scope statement: This appropriation is limited to providing advice (including second-opinion advice and contributions to policy advice led by other agencies) to support decision-making by Ministers on government social policy and related matters, including social sector issues.

Intention statement: This appropriation is intended to achieve high-quality policy advice to support decision-making.

Summary of performance

Non-financial performance

In 2021/22, we provided high-quality policy advice to support Ministers to make decisions on social policy matters including:

- employment and income support issues
- welfare overhaul
- housing policy
- regional, community and family policy
- issues faced by disabled people, including those people with a long-term health condition
- issues faced by older New Zealanders
- international social policy matters.

2020/21 result	Measure	2021/22 standard	2021/22 result	Notes
5	The score for the Minister’s satisfaction with the services provided by the policy function, based on the common Ministerial Policy Satisfaction Survey and on a five-point scale, will be no less than	4	4.6	
3.69	In relation to the quality of policy advice, the average score for policy papers assessed using the common Policy Quality Framework, on a five-point scale, will be at least In relation to the quality of policy advice, the distribution of scores for policy papers assessed using the common Policy Quality Framework	3.75	3.64	(a)
50%	score 4 or higher, no less than	55%	43.0%	
93%	score 3 or higher, no less than	90%	95.0%	
7.5%	score 2.5 or lower, no more than	10%	5.0%	

Notes

- (a) While there were fewer low-scoring papers in 2021/22, there were also fewer high-scoring papers. This led to a decrease in the score.

The following information is provided for context:

	2018/19	2019/20	2020/21	2021/22
Cabinet papers, briefings and aide memoires provided by the Ministry	532 ³⁸	704	634	544

Financial performance

2020/21 Actual \$000	Financial performance (Figures are GST exclusive)	2021/22 Budgeted \$000	2021/22 Revised \$000	2021/22 Actual \$000
Revenue				
18,901	Crown	15,008	23,363	23,363
196	Department	-	-	-
-	Other	-	-	-
19,097	Total revenue	15,008	23,363	23,363
18,055	Total expense	15,008	23,363	22,039
1,042	Net surplus/(deficit)	-	-	1,324

38 From 1 October 2018 some work was transferred to the Ministry of Housing and Urban Development.



Output expense: Processing of Veterans’ Pensions

Appropriation Minister: Minister for Veterans

Scope statement: This appropriation is limited to the processing and administrative aspects of payment of Veterans’ Pensions and related allowances.

Intention statement: This appropriation is intended to achieve the accurate and timely assessment and payment of Veterans’ Pensions and related allowances.

Summary of performance

Non-financial performance

In 2021/22, we granted 192 pensions to veterans to support them to maintain their independence and social participation, compared with 302 in 2020/21. MSD continues to work with Veteran Affairs to improve the available support for our veterans.

We continue to provide good service for our veterans, and we have retained staffing levels with a slightly decreasing client base, which has had a positive impact on our results.

2020/21 result	Measure	2021/22 standard	2021/22 result	Notes
97.6%	The percentage of Veterans’ Pensions entitlement assessments completed accurately will be no less than	95%	97.7%	
95.0%	The percentage of Veterans’ Pensions entitlement assessments completed within timeframes ³⁹ will be no less than	90%	97.0%	

The following information is provided for context:

	2018/19	2019/20	2020/21	2021/22
Applications for Veteran’s Pension	260	198	312	213
Veterans’ Pension clients at 30 June	6,967	6,390	6,029	5,577

Financial performance

2020/21 Actual \$000	Financial performance (Figures are GST exclusive)	2021/22 Budgeted \$000	2021/22 Revised \$000	2021/22 Actual \$000
Revenue				
684	Crown	684	734	734
-	Department	-	-	-
-	Other	-	-	-
684	Total revenue	684	734	734
560	Total expense	684	734	687
124	Net surplus/(deficit)	-	-	47

39 Six working days for Veterans’ Pension entitlement assessments for payment in New Zealand, and 20 working days for payment overseas.



Output expense: Promoting Positive Outcomes for Disabled People

Appropriation Minister: Minister for Disability Issues

Scope statement: This appropriation is limited to providing services to promote and monitor the implementation of the New Zealand Disability Strategy (NZDS), to monitor and implement the United Nations Convention on the Rights of Persons with Disabilities (UNCRPD), and to provide information to Ministers and external agencies on disability matters.

Intention statement: This appropriation is intended to achieve the increased participation and contribution of disabled people by providing advice and support to the Minister for Disability Issues and external agencies, and by co-ordinating and monitoring against the UNCRPD, the NZDS and the Disability Action Plan (DAP).

Summary of performance

Non-financial performance

In 2021/22, the Office for Disability Issues (ODI) continued to work towards improving the identification and removal of barriers that disabled people experience, and ensuring they have the same opportunities and outcomes as other New Zealanders.

Our work in 2021/22 included:

- responding to 1,649 queries/requests for advice in 2021/2022
- DAP: providing oversight of the six monthly progress reporting by government agencies on the DAP work programmes
- New Zealand Sign Language (NZSL): allocating community funding and implementing projects on behalf of the NZSL Board; establishing a kaitiaki group of tangata turi, Maori Deaf to develop a five year funded work programme for tangata turi by tangata turi; supporting deaf community meetings to inform and receive feedback on the work of the Board; and funding NZSL Week
- NZDS: published on the ODI website data sets from cross government aligned with the outcomes in the NZDS, and in general promoting disability data through the ODI website
- providing financial support for Sir Robert Martin’s participation on the United Nations Disability Committee
- providing advice and support to other agencies as they develop programmes of work on disabled people, including the development and publishing of a web-based disability policy toolkit for policy makers
- establishing a family/whanau of disabled people network to provide advice to government agencies
- maintaining the linkages between the Disabled Peoples Organisations (DPOs) Coalition and government agencies so that lived experience advice is available to government agencies and decision makers
- working with the Independent Monitoring Mechanism (IMM) - DPO Coalition, the Human Rights Commission and Office of the Ombudsman to fund and host a public four day domestic forum, engaging with officials across government to examine progress being made in implementing the United Nations Convention on the Rights of Persons with Disabilities (UNCRPD) in Aotearoa.

2020/21 result	Measure	2021/22 standard	2021/22 result	Notes
	The average satisfaction rating ⁴⁰ received by the Office for Disability Issues from the following stakeholders ⁴¹ for the quality of support it provides will be at least:			
7.9	Disabled People's Organisations (DPOs) Coalition members ⁴²	3.5	3.4	(a)
10	the Minister for Disability Issues	3.5	5	
7.2	other stakeholders ⁴³	3.5	3.4	(a)

Notes

- (a) It is likely that the high proportion of respondents who gave a rating that was 'neutral' or 'don't know' (almost 50%), contributed to the average satisfaction rating being just below the standard.

The following information is provided for context:

	2018/19	2019/20	2020/21	2021/22
Queries/requests for advice processed from the Minister for Disability Issues, government and other agencies, and the public	678	819	775	1,649

Financial performance

2020/21 Actual \$000	Financial performance (Figures are GST exclusive)	2021/22 Budgeted \$000	2021/22 Revised \$000	2021/22 Actual \$000
Revenue				
5,998	Crown	6,999	6,989	6,989
1,600	Department	1,600	2,100	2,146
-	Other	-	-	-
7,598	Total revenue	8,599	9,089	9,135
6,683	Total expense	8,599	9,089	7,900
915	Net surplus/(deficit)	-	-	1,235

40 The satisfaction rating comes from annual survey results and was moved from a 10-point scale to a five-point scale in 2021/22.
41 Stakeholders are surveyed annually.
42 Representative organisations of disabled people that are governed by disabled people. We work with seven DPOs who make up the DPOs Coalition.
43 Other stakeholders include disabled people, DPOs who are not part of the DPOs Coalition, non-government organisations (around 80 of these are surveyed), government agencies, and members of the public with an interest in disability.



Output expense: Promoting Positive Outcomes for Seniors

Appropriation Minister: Minister for Seniors

Scope statement: This appropriation is limited to providing information and facilitation to protect the rights and interests of older people, to promote local community involvement in senior issues, and ministerial services.

Intention statement: This appropriation is intended to achieve positive outcomes for seniors through supporting their inclusion in a society where older people can age positively and are highly valued and recognised as an integral part of families and communities, and by supporting greater advocacy of their issues by Ministers.

Summary of performance

Non-financial performance

Despite delays as a result of COVID-19, the Action Plan to implement Better Life – He Oranga Kaumātua 2019–2034 was launched on 30 September 2021 and implementation is underway. The Office for Seniors also developed the Older Workers Employment Action Plan launched by the Minister for Seniors in April 2022.

Contracted partners have continued to deliver the Office’s award-winning digital literacy training programme, and further funding allocated as part of Budget 2022 will enable its continuation and expansion. The Office has also formed a wider Digital Inclusion Action Group aimed at enhancing quality and collaboration across providers of support for digitally excluded older people.

The Office continues to receive positive feedback from stakeholders on its communications, and launched a new website in July 2021.

2020/21 result	Measure	2021/22 standard	2021/22 result	Notes
7.5	The average service quality rating for support provided to the Minister for Seniors ⁴⁴ will be at least	3.5	3.75	
78%	The percentage of stakeholders who report being 'satisfied' or 'very satisfied' with the level of engagement of the Office for Seniors will be no less than	75%	75%	
Not achieved	The Action Plan for <i>Better Life – He Oranga Kaumātua 2019–2034</i> will be finalised by 30 June 2022	Achieved	Achieved	

44 Every six months the Minister for Seniors and the Office for Seniors in MSD discuss the quality of service provided to the Minister in the previous half-year and agree a service quality rating. These conversations are used to drive performance improvements in the following six months. The ratings are averaged across the financial year to produce the annual result. The service quality rating was changed from a ten-point scale to a five-point scale in 2021/22.

The following information is provided for context:

	2018/19	2019/20	2020/21	2021/22
People visiting the SuperSeniors website ⁴⁵	365,755	189,455 ⁴⁶	134,684	130,041
People on the SuperSeniors newsletter mailing list at 30 June	339,232	384,890	431,442 ⁴⁷	473,462 ⁴⁸
Page views for the SuperGold card website	1,511,984	2,540,666	2,198,929	1,818,378
Number of engagements/interactions with the Office for Seniors Facebook page ⁴⁹	15,174 page followers	17,918 page followers	Reach: 885,130 ⁵⁰ Followers: 18,623	Reach: 957,936 Followers: 19,263

Financial performance

2020/21 Actual \$000	Financial performance (Figures are GST exclusive)	2021/22 Budgeted \$000	2021/22 Revised \$000	2021/22 Actual \$000
Revenue				
1,527	Crown	1,792	2,292	2,292
-	- Department	-	-	-
-	- Other	-	-	-
1,527	Total revenue	1,792	2,292	2,292
1,298	Total expense	1,792	2,292	1,822
229	Net surplus/(deficit)	-	-	470

45 www.superseniors.msd.govt.nz/
46 The reduction in the number of site visits reflects the launch of the SuperGold Card website www.supergold.govt.nz/ in October 2019.
47 This figure is a total of people subscribed automatically via MSD (427,320) and voluntary subscribers (4,122)
48 This figure is an approximate figure.
49 www.facebook.com/OfficeforSeniors/
50 An increase of 69.7 percent.



Output expense: Services to Support People to Access Accommodation

Appropriation Minister: Minister of Housing

Scope statement: This appropriation is limited to assessing and reviewing eligibility for housing needs and income-related rent, and managing the Public Housing Register, and supporting the holistic needs of people and their families receiving housing-related case management support.

Intention statement: This appropriation is intended to achieve accurate and efficient operation of the Public Housing Register so that more people who are eligible for public housing have their housing needs met, and those who are capable of housing independence move closer towards that.

Summary of performance

Non-financial performance

In 2021/22 we achieved accurate and efficient operation of the Public Housing Register.

We assess eligibility for public housing, and the amount of rent to be paid. The lack of affordable accommodation for low-income households, combined with limited public housing, has seen the Public Housing Register increase by 10 percent in the last year.

We also assess eligibility for Emergency and Transitional Housing and provide grants and recoverable assistance to help with housing costs. We ensure that clients who present with an urgent housing need are also supported towards more long-term stable accommodation and have access to the Public Housing Register. People in Emergency Housing are supported by Intensive Case Managers and Navigator services, whose efforts have resulted in us exceeding our target for the time to place clients onto the Register.

We also assess income for public housing tenants to ensure they are paying the right amount of rent for their income level.

2020/21 result	Measure	2021/22 standard	2021/22 result	Notes
97.4%	The percentage of income-related rent assessments (for tenants with verified income) that are calculated accurately will be no less than	95%	98.4%	
21 working days	The average number of days to have a live application placed onto the Public Housing Register from first requesting assistance with emergency housing will be no more than	30 working days	22 working days	(a)

Notes

- (a) We have continued to focus on ensuring that clients in Emergency Housing that need a Public Housing assessment are able to have those in a timely manner. Ensuring that clients in Emergency Housing have a case manager is helping to decrease the time between presenting for Emergency Housing and having their application go live for Public Housing.

The following information is provided for context:

	2018/19	2019/20	2020/21	2021/22
Applications on the Public Housing Register ⁵¹ at 30 June	14,891	21,879	29,160	32,172
Applications on the Housing Register ⁵² at 30 June	12,311	18,520	24,477	26,664
Applications on the Transfer Register ⁵³ at 30 June	2,580	3,359	4,686	5,508
Entries to the Public Housing Register (12 months ending 30 June)	20,642	22,864	24,214	22,509
Exits from the Public Housing Register (12 months ended 30 June)				
• Applications housed	6,615	7,201	7,394	5,748
• for reasons other than being housed	8,676	9,850	8,023	13,155
Total exits	15,291	17,051	15,417⁵⁴	18,903

Financial performance

2020/21		2021/22	2021/22	2021/22
Actual	Financial performance	Budgeted	Revised	Actual
\$000	(Figures are GST exclusive)	\$000	\$000	\$000
Revenue				
69,180	Crown	67,355	69,350	69,350
	- Department	-	-	-
	- Other	-	-	-
69,180	Total revenue	67,355	69,350	69,350
64,721	Total expense	67,355	69,350	63,300
4,459	Net surplus/(deficit)	-	-	6,050



Capital Expense: Ministry of Social Development – Capital Expenditure PLA

Appropriation Minister: Minister for Social Development and Employment

Scope statement: This appropriation is limited to the purchase or development of assets by and for the use of MSD, as authorised by section 24(1) of the Public Finance Act 1989 (PFA).

Intention statement: This appropriation is intended to achieve the replacement or upgrade of assets in support of the delivery of the Ministry’s services.

Summary of performance

Non-financial performance

All current and prior year capital expenditure has supported the delivery of our long-term capital plan. For further details of departmental capital expenditure incurred against appropriations, refer to Notes 10 and 11 in the Departmental Financial Statements. For details of Departmental Capital Injections, refer to the Departmental Statement of Financial Position.

Our asset performance framework monitors and reports asset performance within two portfolios: property and technology. This reflects the different management approaches required to manage and monitor our significant assets.

Appendix 4 to this Annual Report contains results for our major asset performance indicators.

We achieved the replacement or upgrade of assets in support of the service we deliver in accordance with our long term capital plan. We have an ageing range of IT infrastructure hardware assets, increasing the likelihood of service and payment failures which risks harm to clients and partners. Simplifying and improving the resilience of our critical IT assets (and systems) is a key focus of the significant improvements we are looking to make in the coming years.

Financial performance

2020/21		2021/22	2021/22	2021/22
Actual	Financial performance	Budgeted	Revised	Actual
\$000	(Figures are GST exclusive)	\$000	\$000	\$000
91,343	Capital Expenditure (PLA)	141,126	159,772	49,428

51 The Public Housing Register is comprised of the Housing Register and the Transfer Register.
52 The Housing Register is prioritised by need and consists of applicants who have been assessed as being eligible for public housing.
53 The Transfer Register is prioritised by need and consists of applicants who are already in public housing but have requested and are eligible for a transfer to another public housing property.
54 Through reviews this figure has been updated and corrected from previously reported figure.



Multi-category expense appropriation: Community Support Services

Appropriation Minister: Minister for Social Development and Employment

Scope statement: The single overarching purpose of this appropriation is to prevent and reduce vulnerability and harm for individuals, families and communities.

Intention statement: This appropriation is intended to improve access for families and whānau to services that address hardship and adverse life outcomes.

This appropriation contains one departmental and seven non-departmental expense categories

Departmental output expense: Developing and managing community services

Scope statement: This category is limited to approving, monitoring, contracting and managing the relationships with community-based service providers, engaging with communities, and developing services.

Intention statement: This category is intended to achieve effective and efficient community services that meet community needs and reduce vulnerability.

Non-departmental output expense: Community support and advice

Scope statement: This category is limited to services that build financial capability, develop community and provider capability, and provide targeted advice and support for vulnerable individuals and families.

Intention statement: This category is intended to achieve increased financial capability and improved wellbeing of vulnerable individuals and families.

Non-departmental output expense: Expansion of Kainga Whānau Ora pilot

Scope statement: This category is limited to the expansion and continuation of the Kainga Whānau Ora pilot.

Intention statement: This category is intended to achieve improvements for families who are living in public housing, using a Whānau Ora navigation approach.

Non-departmental output expense: Improving children's participation in education

Scope statement: This category is limited to programmes and services that enable children to better engage and participate in education.

Intention statement: This category is intended to achieve an improvement in children's engagement and participation in education.

Non-departmental output expense: Participation and support services for seniors

Scope statement: This category is limited to services that address isolation, abuse and neglect of older people, and support participation in communities.

Intention statement: This category is intended to achieve a reduction in the number of abused and neglected older people.

Non-departmental output expense: Place-based approaches

Scope statement: This category is limited to the delivery of services and operational support of collective initiatives following a place-based approach.

Intention statement: This category is intended to achieve the successful implementation and functioning of place-based initiatives to improve outcomes for at-risk children, young people and their families.

Non-departmental output expense: Supporting victims and perpetrators of family and sexual violence

Scope statement: This category is limited to services that support victims of family and sexual violence and address perpetrator behaviour.

Intention statement: This category is intended to achieve a reduction in the number of victims and perpetrators of family and sexual violence.

Non-departmental Other Expense: Community response to adverse or emergency events

Scope statement: This category is limited to financial support for communities that have been impacted by an adverse or emergency event.

Intention statement: This category is intended to achieve increased local resilience through the use of community grants or essential community-led solutions.

Summary of performance in the appropriation and in each category

Non-financial performance

This appropriation is intended to:

- prevent and reduce vulnerability and harm for individuals, families and communities
- improve access for families and whānau to services that address hardship and adverse life outcomes.

In 2021/22, we have continued to support a wide range of services that focus on improved social outcomes for individuals, whānau, families and communities. With the impact of COVID-19, we have also undertaken a significant level of additional work to support communities to cope with, and recover from, the significant changes to daily life that they have experienced.

This has seen us:

- work to support communities and the social sector to continue to operate through COVID-19 resurgences in Auckland
- continue to ensure that communities across New Zealand have access to social services and that social sector providers remain operational
- bring a significant contracts management function online within the Ministry as we took over the management of contracts previously administered by Oranga Tamariki on our behalf
- work collectively with other Te Puna Aonui agencies to develop, launch and start implementing Te Aorerekura – a 25-year National Strategy for eliminating family violence and sexual violence, and its Action Plan.

The work funded through this appropriation helps to reduce the number of families and people who experience adverse life outcomes, including benefit dependency, family violence and sexual violence, and to support the formation of increasingly resilient and strong communities.

2020/21 result	Measure	2021/22 standard	2021/22 result	Notes
Overarching measure				
83,736	The number of people accessing community support services	84,100	90,111	(a)
Departmental output expense				
Developing and managing community services				
Social services accreditation				
96.0%	The percentage of providers who rate their accreditation as a fair and professional service will be no less than	80%	95.0%	(b)
86.0%	The percentage of assessments completed within the specified timeframe ⁵⁵ will be no less than	80%	80.0%	
Result measurement framework				
74.5%	The percentage of contracted services that achieved or exceeded the target for their primary contracted measure will be no less than ⁵⁶	75%	79.0%	(c)
Non-departmental output expenses				
Community support and advice				
Building financial capability				
-	The percentage of clients who report progress towards achieving their financial capability goals will be no less than	80%	92.0%	(d)
Sector umbrella groups⁵⁷				
97%	The percentage of member agencies who report that they are better able to deliver their services as a result of the support offered by the umbrella organisation will be no less than	90%	98.0%	(e)
Microfinance Partnership⁵⁸				
27%	The percentage of loans approved during the reporting period will be no less than	25%	21.0%	(f)
Expansion of Kainga Whānau Ora pilot				
An exemption was granted under section 15D(2)(b)(iii) of the Public Finance Act 1989 as the amount of the annual appropriation for this non-departmental output expense was less than \$5 million.				

55 The Service Level Agreement states that the specified timeframe is 30 working days.

56 Provider-administered client surveys are undertaken every quarter (results are aggregated by the provider and reported to the Ministry as per contractual requirements). The year-end result is an average of total surveys within the financial year.

57 Provider-administered client surveys (where the results are aggregated by the provider and reported to MSD as per contractual requirements) are undertaken annually.

58 By receiving a microfinance loan, clients increase their ability to purchase essential goods and services on fair, safe and affordable terms.

2020/21 result	Measure	2021/22 standard	2021/22 result	Notes
Improving children's participation in education				
An exemption was granted under section 15D(2)(b)(iii) of the Public Finance Act 1989 as the amount of the annual appropriation for this non-departmental output expense was less than \$5 million.				
Participation and support services for seniors				
Elder Abuse Response Service				
87.9%	The percentage of clients who indicate they have greater control over their lives after receiving the service will be no less than ⁵⁹	80%	90.4%	(g)
Place-based approaches				
Not achieved	A Manaaki Tairāwhiti report is delivered to the National Social Wellbeing Board (NSWB) by 30 June 2022 ⁶⁰	Achieved	Not Achieved	(h)
Achieved	A South Auckland Social Wellbeing Board report is delivered to the National Social Wellbeing Board by 30 June 2022 ⁶¹	Achieved	Not Achieved	(i)
Supporting victims and perpetrators of family and sexual violence				
37,055	The number of people accessing family and sexual violence services will be no less than	30,500	37,702	(j)
97%	The percentage of victims of family violence who reported that they are satisfied or very satisfied with the Family-centred, Long-term Recovery and/or Crisis family violence service will be no less than ⁶²	80%	97.4%	(k)
97.5%	The percentage of victims of sexual violence who reported that they received the support they needed when they needed it will be no less than ⁶³	80%	87.0%	(l)
74.4%	The percentage of clients who have completed the Harmful Sexual Behaviour services show a decrease in risk factors will be no less than	80%	100%	(m)
Non-departmental other expense				
Community response to adverse or emergency events				
235	The number of providers supported to participate in building food secure communities will be no less than	125	376	(n)

59 Provider-administered client surveys (where the results are aggregated by the provider and reported to MSD as per contractual requirements) are undertaken every six months. The year-end result is an average of total surveys within the financial year.

60 The report includes key recommendations aimed at influencing agencies' policy and practice to improve the wellbeing of children and their families and whānau in Tairāwhiti.

61 The report includes key recommendations aimed at influencing agencies' policy and practice to improve the wellbeing of children and their families and whānau in South Auckland.

62 Provider-administered client surveys (where the results are aggregated by the provider and reported to MSD as per contractual requirements) are undertaken every quarter. The year-end result is an average of total surveys within the financial year.

63 Provider-administered client surveys (where the results are aggregated by the provider and reported to MSD as per contractual requirements) are undertaken every quarter. The year-end result is an average of total surveys within the financial year.

Notes

- (a) The measure was constructed in 2019/20 based on volumes contracted from community support services. However, as result of local demand, providers often deliver additional services with the help of philanthropic or other funding sources which they may report on to MSD. Note the results for this measure include clients of Building Financial Capability (BFC) services, which are estimated based on an average number of three sessions per client. The client volumes may be higher or lower depending on the actual number of sessions required per client.
- (b) Despite the challenges and disruption caused by Covid-19, we remained focussed and committed to improving the service we provide and ensuring providers experienced a fair and professional accreditation assessment. Feedback received from our survey of providers shows that we continue to exceed the current satisfaction target we have set.
- (c) Based on the most recent available reported figures for each service. In 84.5 percent of cases, this was the quarter-end figure.
- (d) New measure. In August 2021, MSD implemented the Building financial capability (BFC) Client-led outcomes measurement framework. The objective is for clients to set their own financial capability goals, and then to track their progress towards achieving these goals with a financial mentor. BFC clients achieving their goals is counted as a positive outcome. This is the first year using the new BFC Client-led outcomes framework and MSD previously did not capture this data. As the target has been exceeded, we believe that this demonstrates the effectiveness of BFC services and how they can help their clients achieve their financial capability goals.
- (e) We worked closely with umbrella organisations that support providers across the social sector, including in family violence, sexual violence and in building financial capability. However, the result excludes reporting information from one umbrella organisation as, at the time of writing, the information provided was not annual data.
- (f) The result shows the proportion of people who had an initial enquiry and then go on to receive an approved loan after submitting an application. The measure has been affected by the ongoing impacts of Covid-19 on the loan application processes, which require clients to engage with providers in person.
- (g) We have been working on a pilot with some Elder Abuse and Response Services (EARS) providers to collect more robust and meaningful data that better maps the outcomes achieved through the EARS service, in line with Social Sector Commissioning. As we move through a transition phase before embedding changes, we may see variances in the result for this measure. Note the result excludes reporting information from two EARS providers as the information reported was unreliable.
- (h) There was an intention for the report to be supported by a face-to-face presentation to the Social Wellbeing Board and despite repeated efforts to schedule a time for this, it proved impossible to arrange. Therefore, a report was not delivered and the measure was not achieved. In future, we will ensure the report is delivered even if a face-to-face meeting cannot be organised.
- (i) There was an intention for the report to be supported by a face-to-face presentation to the Social Wellbeing Board and despite repeated efforts to schedule a time for this, it proved impossible to arrange. Therefore, a report was not delivered and the measure was not achieved. In future, we will ensure the report is delivered even if a face-to-face meeting cannot be organised.

- (j) Based on the most recent available reported figures for each FV/SV service. In 82.6% of cases, this was the quarter-end figure.
- (k) This is a relatively new measure in place since 2020/21 and satisfaction with the services has exceeded expectation. This is a holistic, whānau centred service, and less prescriptive than other services, which may explain the higher satisfaction levels.
- (l) This measure reports on the percentage of clients who accessed Sexual Harm Crisis Support Services and provided feedback to the provider that they have received the support they needed. These results suggest that the large majority of people accessing Sexual Harm Crisis Support Services get the support they need from the service.
- (m) This measure reports on the percentage of clients showing a decrease in risk factors after completing Harmful Sexual Behaviour Services. Risk factors are measured through internationally recognised clinical assessment tools. These results suggest that people engaging with Harmful Sexual Behaviour Services receive effective support in reducing their risk factors and harmful behaviours.
- (n) This included a mixture of funding for providers to meet increased community food demand attributed to COVID-19, funding for investment in community food distribution infrastructure, and funding for initiatives which will increase food security in the medium to long-term. Note it does not include self-isolation food providers.

The following information is provided for context:

	2018/19	2019/20	2020/21	2021/22
Developing and managing community services				
Social services accreditation				
Accredited providers ⁶⁴	1,985	1,946	1,946	1,921
Assessments completed	1,330	1,503	1,518	1,345
Special Investigations ⁶⁵	2	1	1	3
Community support and advice				
Building Financial Capability sessions offered	N/A	106,000	120,223	133,007
	2018	2019	2020	2021
Microfinance Partnership				
Loan applications received by calendar year	1,073 ⁶⁶	1,420	1,351	1,417
Participation and support services for seniors				
Elder abuse response services				
People accessing elder abuse response services by calendar year	2,368	2,773	2,739	2,881 ⁶⁷

⁶⁴ For MSD, Oranga Tamariki, the Department of Corrections, the Ministry of Justice, the Ministry of Housing and Urban Development and (from 2019/20) the Ministry for Pacific Peoples.

⁶⁵ Our Social Services Accreditation team may carry out a Special Investigation (outside the normal accreditation cycle) where it seems possible that the provider's services are not meeting the Social Sector Accreditation Standards or where a provider has not adequately addressed matters that may have arisen from a complaint.

⁶⁶ Six months July to December 2018.

⁶⁷ Number of clients completing intervention in financial year 2021/22.

Financial performance

2020/21 Actual \$000	Financial performance (Figures are GST exclusive)	2021/22 Budgeted \$000	2021/22 Revised \$000	2021/22 Actual \$000
	Departmental output expense			
	Revenue from Crown			
39,390	Developing and managing community services	33,307	32,787	32,787
	Revenue from Departmental			
-	Developing and managing community services	-	-	-
	Revenue from Others			
-	Developing and managing community services	-	-	-
39,390	Total revenue	33,307	32,787	32,787
36,356	Total expense	33,307	32,787	31,899
3,034	Net surplus/(deficit)	-	-	888

2020/21 Actual \$000	Financial performance (Figures are GST exclusive)	2021/22 Budgeted \$000	2021/22 Revised \$000	2021/22 Actual \$000
	Non-departmental output expenses			
73,428	Community support and advice	80,198	185,959	153,720
2,302	Expansion of Kainga Whānau Ora pilot	2,250	2,250	2,250
1,299	Improving children’s participation in education	1,616	1,616	1,616
5,668	Participation and support services for seniors	7,395	7,395	7,393
7,358	Place-based approaches	6,414	6,414	6,534
133,533	Supporting victims and perpetrators of family and sexual violence	148,832	149,995	143,672
	Non-departmental other expense			
34,865	Community response to adverse or emergency events	32,400	236,751	146,433
258,453	Total expense	279,105	590,380	461,618



Multi-category expense appropriation: Housing Support Assistances

Appropriation Minister: Minister of Housing

Scope statement: The single overarching purpose of this appropriation is to support people to access or retain housing.

Intention statement: This appropriation is intended to support people into a non-public housing solution. This includes people who are on the Housing Register or in public housing, or have otherwise contacted us for support.

This appropriation contains three non-departmental expense categories

Non-departmental output expense: Provision to better prepare people to access and sustain private rentals

Scope statement: This category is limited to the provision of programmes to help prepare people to obtain and sustain private rental accommodation.

Intention statement: This category is intended to better prepare people for private rental accommodation, providing education and support to enable people to access and/or retain a housing tenancy.

Non-departmental other expense: Non-recoverable housing support assistances

Scope statement: This category is limited to non-recoverable housing support assistances, which help people access and/or retain housing tenancies, paid in accordance with criteria set out in delegated legislation under the Social Security Act 2018.

Intention statement: This category is intended to better prepare people for private rental accommodation, providing non-recoverable support that can reduce barriers that people may face in accessing and/or retaining a housing tenancy.

Non-departmental capital expenditure: Recoverable housing support assistances

Scope statement: This category is limited to recoverable housing support assistances, which help people access and/or retain housing tenancies, paid in accordance with criteria set out in delegated legislation under the Social Security Act 2018.

Intention statement: This category is intended to better prepare people for private rental accommodation, providing recoverable support that can reduce barriers that people may face in accessing and/or retaining a housing tenancy.

Summary of performance in the appropriation and in each category

Non-financial performance

The Ministry continued to support clients into private rentals using the funds under these categories.

The provision to better prepare people to access and sustain private rentals resulted in nearly 30 Ready to Rent programmes being run across the country by the end of June 2022. MSD contracted community providers to run these programmes that equip people with the skills and confidence to gain and sustain private rental housing.

The overarching measure for this appropriation was met in each quarter of the 2021/22 year. This means that Housing Support Products (HSPs) were assisting New Zealanders with accessing and sustaining rentals.

The difference between the overarching and non-recoverable measures reflects that most of those receiving support products were under the Rent Arrears Assistance, which is a recoverable assistance and those tenancies are more likely to be at risk.

2020/21 result	Measure	2021/22 standard	2021/22 result	Notes
Overarching measure				
75.4%	The percentage of people who are not on the Housing Register or in public housing, ⁶⁸ or who have not received an Emergency Housing Special Needs Grant, 90 calendar days after receipt of a recoverable or non-recoverable Housing Support Product will be no less than	70%	78.0%	(a)
Non-departmental output expense				
Provision to better prepare people to access and sustain private rentals				
An exemption was granted under section 15D(2)(b)(iii) of the Public Finance Act 1989 as the amount of this annual appropriation for a non-departmental output expense is less than \$5 million.				
Non-departmental other expense				
Non-recoverable housing support assistances				
81.1%	The percentage of people who are not on the Housing Register or in public housing, or who have not received an Emergency Housing Special Needs Grant, 90 calendar days after receipt of a non-recoverable Housing Support Product ⁶⁹ will be no less than ⁷⁰	70%	81.8%	(b)

68 To avoid double counting, people who have gone onto the Housing Register and have moved into public or emergency housing in the 90-day period are counted only as being in public or emergency housing.

69 Non-recoverable HSPs include Bond Grants, Rent in Advance, Transition to Alternative Housing, Letting Fees (no longer available) and Tenancy Costs. These products are designed to assist clients moving into private rentals and often out of Emergency Housing and Public Housing. The Rent Arrears HSP, which is recoverable and where a higher proportion of the unfavourable outcomes arise, is not included in this measure.

70 To avoid double counting, people who have gone onto the Housing Register and have moved into public or emergency housing in the 90-day period are counted only as being in Public or Emergency Housing.

2020/21 result	Measure	2021/22 standard	2021/22 result	Notes
Non-departmental capital expenditure				
Recoverable housing support assistances				
An exemption was granted under section 15D(2)(b)(iii) of the Public Finance Act 1989 as the amount of this annual appropriation for a non-departmental output expense is less than \$5 million.				

Notes

- (a) The number of HSPs granted has begun to decline, as the policy settings for HSP Rent Arrears were reverted to pre-COVID-19 settings in July 2021. The settings included a decrease in the amount that was being provided (from maximum amount of \$4,000 during COVID-19 to maximum amount of \$2,000 pre-COVID-19 rate).
- Supply and affordability could be a factor impacting new rental HSP grants. Overall uptake reduced in the fourth quarter of 2021/22.
- (b) The 2021 changes to the Residential Tenancy Act which aimed to increase security of tenure for renters is continuing to reduce the proportion of clients requiring additional housing assistance in the 90 days after their HSP was granted, especially as these HSPs are mainly granted to clients at the start of a new tenancy.
- This reflects a decrease in clients utilising Bond and Rent in Advance HSPs.

Financial performance

2020/21 Actual \$000	Financial performance (Figures are GST exclusive)	2021/22 Budgeted \$000	2021/22 Revised \$000	2021/22 Actual \$000
<i>Non-departmental output expenses</i>				
205	Provision to better prepare people for private rental programme	763	763	836
<i>Non-departmental other expense</i>				
9,258	Non-recoverable housing support assistances	6,200	9,425	8,031
<i>Non-departmental capital expenditure</i>				
10,896	Recoverable housing support assistances	1,000	3,775	2,709
20,359	Total expense	7,963	13,963	11,576



Multi-category expense appropriation: Improved employment and social outcomes support

Appropriation Minister: Minister for Social Development and Employment

Scope statement: The single overarching purpose of this appropriation is to operate the benefit system and associated interventions in such a way as to improve client outcomes (employment and social) by moving them closer to independence, with a focus on those at risk of long-term benefit receipt.

Intention statement: This appropriation is intended to achieve improved employment and social outcomes.

This appropriation contains three departmental and one non-departmental output expense categories

Departmental output expense: Administering income support

Scope statement: This category is limited to assessing, paying, reviewing entitlements and collecting balances owed by clients for income support, supplementary assistance, grants and allowances, and administering international social security agreements relating to disabled people, sole parents, and widows and widowers.

Intention statement: This category is intended to achieve accurate and efficient operation of the benefit system so that the correct amount is paid to the correct people on time.

Departmental output expense: Improving employment outcomes

Scope statement: This category is limited to providing specified assistance, including services, to eligible people to help them move into and retain sustainable employment, in accordance with criteria set out in, or in delegated legislation made under, the Social Security Act 2018.

Intention statement: This category is intended to achieve an increase in the number of people (from those who are currently receiving or are likely to receive working-age benefits and are work ready) moving into sustainable employment.

Departmental output expense: Improving work readiness outcomes

Scope statement: This category is limited to providing services to eligible people to address barriers to employment to help them become work ready, in accordance with criteria set out in, or in delegated legislation made under, the Social Security Act 2018.

Intention statement: This category is intended to improve the skills and capabilities of people who are receiving or are likely to receive working-age benefits and reduce barriers to employment, to assist them to become work-ready and increase their chances of entering into sustainable work.

Non-departmental other expense: Flexi-wage employment assistance

Scope statement: This category is limited to providing Flexi-wage employment assistance for eligible people to help them move into and retain sustainable employment, in accordance with criteria set out by Cabinet or approved by the Minister or in delegated legislation made under, the Social Security Act 2018.

Intention statement: This category is intended to achieve an increase in the number of people achieving a sustainable employment outcome through the use of Flexi-wage.

Summary of performance

Non-financial performance

Benefit numbers saw the first significant reduction since the start of the COVID-19 pandemic, falling by over 10,000 during 2021/22, compared to the increase of 1,305 during 2020/21.

Benefit exits into employment were at record levels for the second year in a row with 113,424 clients exiting a benefit into employment, slightly exceeding the record numbers seen in 2020/21.

We made significant investments in employment assistance during the year, with many employment products and services continuing to see double their normal level of uptake, such as:

- Since the expansion of Flexi-wage in February 2021, 17,583 grants were made up to 30 June 2022 compared to 7,902 in the same period of 2019/20.
- Mana in Mahi assisted 2,127 clients to start employment or continue their on-the-job training towards a qualification compared to its annual target of 450.
- We made \$5k to Work grants to 4,569 clients, compared to 3,198 in the previous year.

We continued to help people before they entered the benefit system by implementing Early Response teams in 2021/22 across all regions to provide employment services to those at-risk of job displacement. We also continued to build on the expansions of Mana in Mahi and Flexi-wage to help people prior to needing a benefit, with Mana in Mahi assisting around 1,500 and Flexi-wage helping over 3,000 during the year.

2020/21 result	Measure	2021/22 standard	2021/22 result	Notes
Overarching measures				
80.9%	The percentage of Employment Assistance programmes rated 'effective' or 'promising' will be no less than	90%	86.7%	(a)
19,188	The number of exits ⁷¹ from the main benefit during the calendar year for reason of employment following an employment intervention ⁷² will be no less than	18,000	26,913	(b)

⁷¹ Clients are counted multiple times if they exit the main benefit system multiple times and are assessed for pre-exit activity each time.

⁷² 'Employment intervention' refers to employment-related case management, vacancy management, contracted services (including Wage Subsidies and external work-readiness services. Eligible clients can receive multiple interventions, while receiving a benefit, including both work-readiness and employment-related case management, resulting in a significant positive overall impact over the medium-to-long term. Employment outcomes interventions are assessed against income and employment outcomes.

2020/21 result	Measure	2021/22 standard	2021/22 result	Notes
58.9%	Of those clients who have exited the main benefit during the calendar year for reason of employment, following an employment intervention, the proportion that did not access the main benefit again in the following six months will be no less than	55%	63.1%	(b)
Departmental output expenses				
<i>Administering income support</i>				
86.6%	The proportion of benefit entitlement assessments completed accurately will be no less than	95%	85.9%	(c)
92.8%	The proportion of benefit entitlement assessments completed within five working days will be no less than	90%	92.1%	
<i>Improving employment outcomes</i>				
17,979	The number of exits from the main benefit during the calendar year for reason of employment following an employment outcomes intervention will be no less than	17,000	25,218	(b)
58.7%	Of those clients who have exited the main benefit during the calendar year for reason of employment following an employment outcomes intervention, ⁷³ the proportion that did not access the main benefit again in the following six months will be no less than	55%	62.8%	(b)
<i>Improving work readiness outcomes</i>				
2,547	The number of exits from the main benefit during the calendar year for reason of employment following a work readiness intervention ⁷⁴ will be no less than	2,000	3,525	(b)
59.4%	Of those clients who have exited the main benefit during the calendar year for reason of employment following a work readiness intervention, the proportion that did not access the main benefit again in the following six months will be no less than	55%	66.6%	(b)
<i>Jobs and Skills Hub</i>				
-	The number of training interventions completed in large-scale construction and infrastructure projects will be no less than	1,500	639	(d)
Non-departmental other expense				
<i>Flexi-wage employment assistance</i>				
-	The percentage of clients who remain off benefit for at least six months following the completing of a Flexi-wage contract will be no less than	60%	72.3%	(b)
<i>He Poutama Rangatahi</i>				
-	The number of young people supported onto education, training or employment pathways by programmes funded through the appropriation will be no less than	2,000	2,174	(e)

⁷³ Employment outcomes intervention⁷³ refers to vacancy placement, contracted service (including wage subsidies) and employment-related case management. Benefit exits following employment outcomes interventions are included in the overall number of benefit exits into employment.

⁷⁴ Work readiness intervention⁷⁴ refers to an external service.

2020/21 result	Measure	2021/22 standard	2021/22 result	Notes
<i>Māori Trades and Training Programmes</i>				
-	The number of people supported onto trades and training pathways by programmes funded through the appropriation will be no less than	Baseline to be established	468	

Notes:

- (a) Under-performance occurs through expenditure on interventions not rated as effective or promising. The expenditure in the not effective or promising category includes:
- Mixed (2.6 percent) where interventions show both positive and negative impacts.
 - No measurable difference (2.9 percent) include interventions that make no statistically significant difference to participants' outcomes. This group includes a number of smaller interventions where, because of their size, it makes it difficult to detect a significant impact.
 - Negative/likely negative (7.7 percent) include interventions that have negative impacts on participants' outcomes and includes the Youth Service (NEET) programme and the Flexi-wage Self Employment programme.

The Youth Service (NEET) was redesigned and implemented with new contracts at the start of 2020. However, it is too soon to assess whether these changes have improved the performance of the service. Following the Flexi-wage expansion, MSD has made changes to the Flexi-wage Self Employment programme (currently evaluated as having negative effectiveness) by increasing and standardising the weekly rate of payment and increasing funding for Business Training and Advice to support people preparing for, and after starting their business venture. These changes are anticipated to improve effectiveness, which will be reflected in future evaluations.

- (b) The higher-than-expected success rate of these measures can be attributed to a number of factors. Firstly, MSD has been successful not only in maintaining its employment support offerings throughout lockdowns and associated disruption but has been able to increase its provision of employment services with programmes like Flexi-wage and Mana in Mahi experiencing significantly higher uptake than before the COVID-19 pandemic. We also saw reduced disruption in the second half of the year as the country moved to the traffic-light system which ended the lockdowns, combined with New Zealand's economy recovering much faster than anticipated.
- (c) MSD recruited staff to help meet the demands of COVID-19 economic supports and the COVID-19 Care in the community response. This required the Ministry to balance the recruitment and training of new staff as well as redirecting experienced staff into critical new COVID-19 related work. Extended periods of remote working during the higher traffic light settings and isolation requirements themselves, meant availability of support to inexperienced staff was impacted at times.

The accuracy levels achieved coincides with an unprecedented proportion of newer staff during a time where the spread of COVID-19 impacted all staff across the country. This impact will be reduced over time as a continuing focus of building the capability of newer staff occurs.

- (d) In the first half of the financial year COVID-19 restrictions meant limited face to face interactions, and staffing and supply chain issues with projects, which consequently reduced training opportunities. However, outcomes have continued to increase month on month. Hubs have started the new financial year partnered with major projects. The projects have a robust understanding of the training support the Hubs can provide, and a significant amount of engagement with schools and community groups means we have a strong jobseeker candidate pipeline.
- (e) In December 2021, when New Zealand was out of COVID-19 lockdowns and moved into the COVID-19 Protection framework there was a heavy demand on He Poutama Rangatahi services which are comprehensive in helping rangatahi address complex barriers to training and employment. Alongside existing programmes, a large number of new programmes started this year (despite COVID-19 disruptions) which mean that a greater number of rangatahi than anticipated were supported.

The following information is provided for context:

	2018/19	2019/20	2020/21	2021/22
<i>Administering income support</i>				
Main benefit applications processed	247,140	293,106	260,805	261,336
Hardship applications processed	1,738,710	2,630,332	2,660,847	2,452,197
Hardship grants approved	1,689,530	2,533,822	2,488,815	2,324,007
Accommodation Supplement recipients	300,741	348,754	351,912	344,742
<i>Improving employment outcomes</i>				
Number of working-age main benefit clients in service ⁷⁵			57,090	55,638
People attending employment programmes ⁷⁶	23,727	24,747	40,947	37,377
People exiting a main benefit and going into work	70,218	74,715	113,409	113,424
People attending work readiness programmes ⁷⁷	9,048	8,457	10,485	7,695

⁷⁵ To be considered 'in service' a client must be assigned a case manager and be tagged with either COVID-19 tags, He Poutama Rangatahi, or one of three Supporting Offenders into Employment tags. This measure was implemented from January 2021.

⁷⁶ The figures for past years have been revised due to the addition of new programme types.

⁷⁷ The figures for past years have been revised due to the addition of new programme types.

Financial performance

2020/21 Actual \$000	Financial performance (Figures are GST exclusive)	2021/22 Budgeted \$000	2021/22 Revised \$000	2021/22 Actual \$000
	<i>Departmental output expenses</i>			
	Revenue from Crown			
438,235	Administering income support	472,184	485,059	485,059
564,150	Improving employment outcomes	510,162	608,152	608,152
127,480	Improving work readiness outcomes	123,237	112,974	112,974
-	Jobs and Skills Hubs	-	4,250	4,250
	Revenue from Departmental			
1,646	Administering income support	1,600	1,600	834
	Revenue from Others			
1,202	Administering income support	2,000	2,000	3,887
1,132,713	Total revenue	1,109,183	1,214,035	1,215,156
987,506	Total expense	1,109,183	1,264,377	1,181,553
145,207	Net surplus/(deficit)	-	(50,342)	33,603

2020/21 Actual \$000	Financial performance (Figures are GST exclusive)	2021/22 Budgeted \$000	2021/22 Revised \$000	2021/22 Actual \$000
	<i>Non-departmental Output Expenses</i>			
-	He Poutama Rangatahi	-	43,802	20,456
-	Maori Trades and Training Programme	-	12,021	11,566
	<i>Non-departmental Other Expenses</i>			
8,460	Flexi-wage employment assistance	131,360	127,438	58,652
8,460	Total expense	131,360	183,261	90,674



Multi-category expense appropriation: Partnering for Youth Development

Appropriation Minister: Minister for Youth

Scope statement: The single overarching purpose of this appropriation is to improve outcomes for young people through youth development.

Intention statement: This appropriation is intended to promote the use of a positive youth development approach to help support an increase in the wellbeing of rangatahi across Aotearoa New Zealand so that they are better able to succeed in, contribute to and enjoy life.

This appropriation contains one departmental and one non-departmental output expense category

Departmental output expense: Administering youth development

Scope statement: This category is limited to developing, promoting and funding a positive youth development approach in partnership with businesses, iwi and the philanthropic and youth sectors.

Intention statement: This category is intended to champion positive youth development as an approach to support rangatahi across Aotearoa New Zealand to improve their wellbeing and to increase the accessibility of quality positive youth development services, particularly for those from the identified priority cohorts.⁷⁸

Non-departmental output expense: Delivering youth development

Scope statement: This category is limited to purchasing youth development outcomes.

Intention statement: This category is intended to achieve an improvement in the wellbeing of young people through their participation in quality positive youth development (including through partnerships with businesses, iwi, the philanthropic and youth sectors and other government organisations), and an improvement in young people’s preparedness for the future work environment through enterprise education and skills development.

Summary of performance

Non-financial performance

During 2021/22, the Ministry of Youth Development (MYD) contributed over \$13 million to 119 provider organisations to deliver youth development and/or youth enterprise programmes or services to over 72,000 young people.

In 2021/22, MYD anticipated that the COVID-19 higher alert levels and the shift to the COVID-19 Protection Framework would significantly impact the delivery of youth development services.

Most providers were able to pivot quickly into online services and to maintain wellbeing support and connection with young people and their whānau, to reduce disruptions in service delivery. Following shifts in COVID-19 alert levels, providers again pivoted to offer a hybrid model of both online and in-person services to enable ongoing support to young people.

More than 8,000 young people submitted a participant feedback survey in 2021/22 to report on their outcomes from the programmes or services they participated in during the COVID-19 pandemic.⁷⁹ Of these, 86 percent said they had seen a significant improvement in their outcomes through participation in a funded youth development and/or youth enterprise programme or service.

2020/21 result	Measure	2021/22 standard	2021/22 result	Notes
Overarching measures				
86.0%	The percentage of participants who report that they have seen a significant improvement in their outcomes ⁸⁰ through participation in a Ministry of Youth Development-funded initiative ⁸¹ will be no less than ⁸²	85%	86.0%	
Departmental output expenses				
Administering youth development				
62.0%	The percentage of total funding for youth development opportunities targeted at young people from the priority cohorts will be no less than ⁸³	50%	67.0%	
89.0%	The percentage of providers reporting that interacting with the Ministry of Youth Development was a ‘good’ or ‘very good’ experience will be no less than ⁸⁴	80%	91.0%	
100%	The percentage of partners ⁸⁵ involved in funding initiatives through the Partnership Fund reporting that partnering with MYD was a ‘good’ or ‘very good’ experience will be no less than	80%	86.0%	

79 The number of young people that have submitted a participant survey has been published since 2017. Participation rates have stayed relatively consistent over this period which is good news as we have heard consistent reports from providers, particularly in this year, that it is becoming increasingly difficult to engage with a number of young people – largely due to the impact of the COVID-19 Protection Framework’s implementation and related restrictions.

80 The core outcome that MYD seeks for young people is increased wellbeing which is being achieved when young people are:

- participating in, engaging with, and contributing to something they value in their community or society
- feeling more connected, having a greater sense of belonging, and feeling comfortable and aware of their identity
- learning or developing their skills (these may be social, emotional, physical, autonomy, work or intimacy skills)
- developing strong and healthy relationships with their peers and with adults, and feeling accepted, respected, understood and listened to
- optimistic about the future, believing that they have choices about their future and are prepared for the future work environment.

81 Through youth enterprise funding there is a focus on improved preparedness for the future work environment. Improved preparedness is being achieved when young people report that they are achieving outcomes such as:

- increased entrepreneurship, business and financial acumen
- increased decision-making and problem-solving skills
- development of innovation and original thinking
- increased awareness of information and digital technologies
- increased leadership skills, career opportunities and career management skills.

82 Data for this measure is collected from the two surveys used for the Delivering Youth Development category of the MCA.

83 Data for this measure is collected through information provided when providers are contracted to deliver a programme or service.

84 Data for this measure is collected through annual provider reporting. The ratings are ‘very bad’, ‘bad’, ‘neither bad nor good’, ‘good’ and ‘very good’.

85 ‘Partners’ refers to those parties who are contributing funds and resources (either in cash or in kind) alongside MYD to support the youth development initiatives that have been approved by the Partnership Fund Board. Providers (those actually delivering the youth development projects) are not considered partners regarding this measure (even though they may be contributing funds and resources themselves). Data for this measure is collected through annual surveying of all Partnership Fund partners. The ratings are ‘very bad’, ‘bad’, ‘neither bad nor good’, ‘good’ and ‘very good’.

78 The identified priority cohorts are young Māori, young Pacific people, young women, young people from the Rainbow community, young people with disabilities, young people from ethnic communities (in particular those from a refugee and migrant background), and young people living in the regions (defined as the non-urban, more rural and often isolated regions across New Zealand).

2020/21 result	Measure	2021/22 standard	2021/22 result	Notes
Non-departmental output expense				
Delivering youth development				
86.0%	The percentage of participants who report that they have seen an improvement in their wellbeing through participation in a MYD-funded youth development service will be no less than	85%	86.0%	
90.0%	The percentage of participants who report that they have improved their preparedness for the future work environment through participation in a MYD-funded youth enterprise service will be no less than	85%	87.0%	

The following information is provided for context:

	2018/19	2019/20	2020/21	2021/22
Delivering youth development⁸⁶				
<i>Positive youth development promotion</i>				
Providers funded	101	125	87	84
Opportunities funded	64,363	61,793	60,493	63,547
<i>Expanding youth enterprise and education</i>				
Providers funded	40	30	13	13
Opportunities funded	10,973	4,163	3,632	3,702
<i>Partnership Fund</i>				
Providers funded	51	49	14	16
Opportunities funded	11,301	4,554	1,715	2,248
Partners contributing funding	97	119	16	29
<i>Ākonga Youth Development Community Fund</i>				
Providers funded			28	28
Opportunities funded			2,750 ⁸⁷	2,750
<i>Totals for all funded opportunities</i>				
Providers funded ⁸⁸	159	150	127	119
Opportunities funded	86,637	70,690	68,590	72,247

86 Within the Delivering Youth Development non-departmental output expense, there are four sub-categories:

- Positive youth development promotion, which is focused on funding opportunities to improve young people's wellbeing
- Expanding youth enterprise and education, which is focussed on funding opportunities to prepare young people for the future work environment
- Partnership Fund, which is focussed on funding opportunities in partnership with business, philanthropics, iwi and other government agencies
- Ākonga Youth Development Community Fund, which is a time-limited investment from the COVID-19 Response and Recovery Fund. It is a partnership between MYD and the Ministry of Education for youth providers to deliver programmes to ākonga (aged 12 to 21 years) who have been adversely affected by the impact of COVID-19 to stay engaged or re-engage in their education journey.

87 We are funding services for approximately 5,500 ākonga over two calendar years, apportioned equally between 2020/21 and 2021/22.

88 The total number of providers funded can be less than the totals for the four categories of opportunities as some providers have contracts across multiple subcategories.

Financial performance

2020/21 Actual \$000	Financial performance (Figures are GST exclusive)	2021/22 Budgeted \$000	2021/22 Revised \$000	2021/22 Actual \$000
<i>Departmental output expense</i>				
Revenue from Crown				
5,460	Administering youth development	4,001	5,312	5,312
Revenue from Departmental				
-	Administering youth development	-	-	-
Revenue from Other				
-	Administering youth development	-	-	-
5,460	Total revenue	4,001	5,312	5,312
3,939	Total expense	4,001	5,312	4,493
1,521	Net surplus/(deficit)	-	-	819

2020/21 Actual \$000	Financial performance (Figures are GST exclusive)	2021/22 Budgeted \$000	2021/22 Revised \$000	2021/22 Actual \$000
<i>Non-departmental output expense</i>				
10,774	Delivering Youth development	8,562	13,399	13,311
10,774	Total expense	8,562	13,399	13,311



Nga tauākī tahua

Financial Statements



Ministry of Social Development Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2022

Actual 2021 \$000	Notes	Actual 2022 \$000	Unaudited Budget 2022 \$000	Unaudited Forecast 2023 \$000
Revenue				
1,523,572	Revenue Crown 2	1,601,069	1,483,983	1,655,016
61,301	Revenue other 2	27,617	71,103	28,965
311	Gain on disposal of property, plant and equipment 3	17	-	-
1,585,184	Total revenue	1,628,703	1,555,086	1,683,981
Expenses				
668,844	Personnel costs 4	761,126	673,445	740,885
72,631	Depreciation and amortisation expenses 10,11	74,703	101,349	106,281
12,261	Capital charge 5	15,691	18,285	15,655
651,889	Other operating expenses 6	713,683	762,007	821,160
1,405,625	Total expenses	1,565,203	1,555,086	1,683,981
179,559	Net surplus/(deficit)	63,500	-	-
Other comprehensive revenue and expense				
<i>Item that will not be reclassified to net surplus/ (deficit)</i>				
4,711	Gain on property revaluations 10	-	-	-
184,270	Total comprehensive revenue and expense	63,500	-	-

Explanations of significant variances against the original 2021/22 budget are set out in Note 22.

The accompanying notes form part of these financial statements.

Ministry of Social Development Statement of Financial Position

As at 30 June 2022

Actual 2021 \$000	Notes	Actual 2022 \$000	Unaudited Budget 2022 \$000	Unaudited Forecast 2023 \$000
Equity				
279,926	Taxpayers' funds 17	319,138	389,745	342,187
33,945	Property revaluation reserves 17	33,945	29,234	33,945
313,871	Total equity	353,083	418,979	376,132
Assets				
Current assets				
135,394	Cash and cash equivalents	290,380	182,877	158,917
4,257	Receivables 7	5,511	2,555	111
31,912	Prepayments	12,703	33,882	31,912
236,917	Crown receivable 8	62,764	-	23,160
408,480	Total current assets	371,358	219,314	214,100
Non-current assets				
138,536	Property, plant and equipment 10	123,273	131,657	195,643
188,084	Intangible assets 11	178,106	270,596	205,555
326,620	Total non-current assets	301,379	402,253	401,198
735,100	Total assets	672,737	621,567	615,298
Liabilities				
Current liabilities				
151,491	Payables and accruals 12	150,240	107,664	147,345
177,917	Return of operating surplus to the Crown 13	63,500	-	-
52,304	Provision for employee entitlements 15	62,025	49,328	52,304
18,124	Provisions 14	18,101	15,846	18,124
399,836	Total current liabilities	293,866	172,838	217,773
Non-current liabilities				
21,393	Provision for employee entitlements 15	25,788	29,750	21,393
21,393	Total non-current liabilities	25,788	29,750	21,393
421,229	Total liabilities	319,654	202,588	239,166
313,871	Net assets	353,083	418,979	376,132

Explanations of significant variances against the original 2021/22 budget are set out in Note 22.

The accompanying notes form part of these financial statements.

Ministry of Social Development Statement of Changes in Equity

For the year ended 30 June 2022

Actual 2021 \$000	Notes	Actual 2022 \$000	Unaudited Budget 2022 \$000	Unaudited Forecast 2023 \$000
246,937	Balance at 1 July	313,871	365,695	350,078
179,559	Total comprehensive revenue and expense	63,500	-	
	Owner transactions			
(177,917)	Return of operating surplus to the Crown	(63,500)	-	
83,910	Capital injections	76,447	53,284	26,997
-	Capital injections - non cash	102		
(1,505)	Capital withdrawal - cash	(37,221)	-	(943)
(21,824)	Capital withdrawal - non cash	(115)	-	
4,711	Other Movements	(1)		
313,871	Balance as at 30 June	353,083	418,979	376,132

Explanations of significant variances against the original 2021/22 budget are set out in Note 22.

The accompanying notes form part of these financial statements.

Ministry of Social Development Statement of Cash Flows

For the year ended 30 June 2022

Actual 2021 \$000	Notes	Actual 2022 \$000	Unaudited Budget 2022 \$000	Unaudited Forecast 2023 \$000
	Cash flows from operating activities			
1,274,052	Receipts from Revenue Crown	1,775,222	1,483,983	1,700,136
60,604	Receipts from other revenue	25,245	71,115	28,965
(622,217)	Payments to suppliers	(685,595)	(892,018)	(821,160)
(666,335)	Payments to employees	(754,446)	(543,446)	(740,885)
(12,261)	Payments for capital charge	(15,691)	(18,285)	(15,655)
2,074	Goods and services tax (net)	(2,206)	-	-
(4,078)	Intercompany cash flow with Oranga Tamariki - Ministry for Children	380	-	-
31,839	Net cash flow from operating activities	342,909	101,349	151,401
	Cash flows from investing activities			
9,352	Receipts from sale of property, plant and equipment	197	1,500	294
(30,064)	Purchase of property, plant and equipment	(20,407)	(12,048)	(71,070)
(61,279)	Purchase of intangible assets	(29,022)	(129,078)	(84,271)
(81,991)	Net cash flow from investing activities	(49,232)	(139,626)	(155,047)
	Cash flows from financing activities			
83,910	Capital injections	76,447	53,284	26,997
(1,505)	Capital withdrawal from the Crown	(37,221)	-	(943)
(76,635)	Return of operating surplus	(177,917)	(138,000)	-
5,770	Net cash flow from financing activities	(138,691)	(84,716)	26,054
(44,382)	Net increase/(decrease) in cash	154,986	(122,993)	22,408
179,776	Cash at the beginning of the year	135,394	305,870	136,509
135,394	Cash at the end of the year	290,380	182,877	158,917

Explanations of significant variances against the original 2021/22 budget are set out in Note 22.

Refer to Note 18 for reconciliation of net surplus/(deficit) to net cash from operating activities.

The accompanying notes form part of these financial statements.

Ministry of Social Development
Statement of Commitments

As at 30 June 2022

Capital commitments

The Ministry has no capital commitments at balance date (2021: nil).

Non-cancellable operating lease commitments

The Ministry has long-term leases on premises, which are subject to regular reviews. The amounts disclosed below as future commitments are based on the current rental rates.

There are no restrictions placed on the Ministry by any of its leasing arrangements.

In addition to the above costs, the Ministry expects to receive sub-lease rental recoveries of \$1.028 million in 2022/23. Refer to Note 2 for actual sub-lease rental recoveries for 2021/22.

Actual 2021 \$000	Actual 2022 \$000
Operating commitments	
The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:	
40,931 Not later than one year	44,343
110,080 Later than one year and not later than five years	112,492
118,338 Later than five years	100,726
269,349 Total non-cancellable operating lease commitments	257,561
269,349 Total commitments	257,561

The accompanying notes form part of these financial statements.

Ministry of Social Development
Statement of Contingent Liabilities and Contingent Assets

As at 30 June 2022

Unquantifiable contingent liabilities

There is legal action against the Crown relating to historical abuse claims.

At this stage the number of claimants and the outcomes of these cases are uncertain. The disclosure of an amount for these claims may prejudice the legal proceedings.

Quantifiable contingent liabilities

Actual 2021 \$000	Actual 2022 \$000
5 Personal grievances	5
137 Legal proceedings and disputes	125
142 Total contingent liabilities	130

Personal grievances

Personal grievances claims represent amounts claimed by employees for personal grievances cases. There was one personal grievance claim (2021: one).

Legal proceedings and disputes

Other claims are represented by grievances claims from our clients for unpaid benefit entitlements and other disputes. Altogether there are six claims in this category (2021: three).

Contingent assets

The Ministry has no contingent assets (2021: nil).

The accompanying notes form part of these financial statements.

Ministry of Social Development

Notes to the Financial Statements

For the year ended 30 June 2022

1. Statement of Accounting Policies

Reporting entity

The Ministry of Social Development (the Ministry) is a government department as defined by section 5 of the Public Service Act 2020 and is domiciled and operates in New Zealand. The relevant legislation governing the Ministry’s operations includes the Public Finance Act 1989 (PFA), Public Service Act 2020, and the Public Accountability Act 1998. The Ministry’s ultimate parent is the New Zealand Crown.

The Ministry has also reported on Crown activities and trust monies that it administers in the non-departmental statements and schedules on pages 256 to 263.

The Ministry’s primary objective is to provide services to the New Zealand public including income support and superannuation services, employment support and services, support for young people to gain relevant skills, housing support, designing and delivering community services in conjunction with others and social policy advice. The Ministry does not operate to make a financial return.

The Ministry has designated itself as a public benefit entity (PBE) for the purposes of complying with generally accepted accounting practice (GAAP).

The financial statements of the Ministry are for the year ended 30 June 2022 and were approved for issue by the Chief Executive on 30 September 2022.

Basis of preparation

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

Statement of compliance

The financial statements of the Ministry have been prepared in accordance with the requirements of the PFA, which includes the requirements to comply with GAAP and Treasury Instructions.

These financial statements have been prepared in accordance with and comply with PBE Accounting Standards.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars (NZ dollars) and all values are rounded to the nearest thousand dollars (\$000), other than the related party transaction disclosures in Note 19. The related party transaction disclosures are rounded to the nearest dollar.

Changes in accounting policies

The accounting treatment of specific configuration and customisation costs of Software as a Service (SaaS) arrangements where there is no control of the supplier’s software by the Ministry will no longer be recognised as an intangible asset. There have been no other changes in accounting policies since the date of the last audited financial statements.

Standards issued and not yet effective and not early adopted

Standards and amendments, issued but not yet effective that have not been adopted early, and which are relevant to the Ministry are:

PBE IPSAS 41 Financial Instruments

PBE IPSAS 41 replaces PBE IFRS 9 Financial Instruments and is effective for the year ending 30 June 2023, with earlier adoption permitted. The Ministry has assessed that there will be little change from adopting the new standard as the requirements are similar to those contained in PBE IFRS 9. The Ministry does not intend to adopt the standard early.

PBE FRS 48 Service Performance Reporting

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 Presentation of Financial Statements and is effective for the year ending 30 June 2023, with early adoption permitted. The Ministry has not yet determined how application of PBE FRS 48 will affect its statement of service performance reporting. The Ministry does not plan to adopt the standard early.

Summary of Significant accounting policies

Significant accounting policies are included in the notes to which they relate.

Significant accounting policies that do not relate to a specific note are outlined below.

Foreign currency transactions

Foreign currency transactions (including those for which foreign exchange contracts are held) are translated in NZ\$ (the functional currency) using the spot exchange rate at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the financial results.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand.

The Ministry is only permitted to spend its cash and cash equivalents within the scope and limits of its appropriations.

Goods and services tax (GST)

Items in the financial statements are stated exclusive of GST except for receivables and payables, which are stated inclusive of GST. Where GST is not recoverable as an input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, Inland Revenue (IR) is included as part of the receivables or payables in the Statement of Financial Position.

The net GST paid to, or received from IR, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

Income tax

The Ministry is a public authority and consequently is exempt from income tax. No provision has been made for income tax.

Critical accounting estimates and assumptions

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions might differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

- Estimating the fair value of land and buildings – refer to Note 10
- Assessing the useful lives of software – refer to Note 11
- Measuring long service leave and retirement leave – refer to Note 15

Critical judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies:

- Classification of leases – refer to Note 16

Budget and forecast figures

Basis of the budget and forecast figures

The 2022 budget figures are for the year ended 30 June 2022 and were published in the 2020/21 Annual Report. They are consistent with the Ministry's best estimate financial forecast information submitted to the Treasury for the Budget Economic and Fiscal Update (BEFU) for the year ended 30 June 2022.

The 2023 forecast figures are for the year ending 30 June 2023 and are consistent with the Ministry's best estimate financial forecast information submitted to the Treasury for the BEFU for the year ending 30 June 2023.

The forecast financial statements have been prepared, as required by the PFA, to communicate forecast financial information for accountability purposes.

The budget and forecast figures are unaudited and have been prepared using the accounting policies adopted in preparing these financial statements.

The 30 June 2023 forecast figures have been prepared in accordance with PBE FRS 42 *Prospective Financial Statements* and comply with PBE FRS 42.

The forecast financial statements were approved for issue by the Chief Executive on 20 April 2022. The Chief Executive is responsible for the forecast financial statements, including the appropriateness of the assumptions underlying them and all other required disclosures.

While the Ministry regularly updates its forecasts, updated forecast financial statements for the year ending 30 June 2023 will not be published.

Significant assumptions used in preparing the forecast financials

The forecast figures contained in these financial statements reflect the Ministry's purpose and activities and are based on assumptions about what may occur during the 2022/23 year. The forecast figures have been compiled based on existing government policies and ministerial expectations at the time the Main Estimates were finalised.

The main assumptions, adopted as at 20 April 2022, were:

- The Ministry's activities and output expectations will remain substantially the same as those for the previous year, focusing on the Government's priorities.
- Personnel costs were based on 8,805 full-time-equivalent staff positions. Remuneration rates are based on current salary costs, adjusted for anticipated remuneration changes.
- Operating costs were based on historical experience and other factors that are believed to be reasonable in the circumstances and are the Ministry's best estimate of future costs that will be incurred.
- Land and buildings are not revalued as we cannot reliably determine the outcome of such valuation and believe there would be no significant variation if they were.
- Estimated year-end information for 2021/22 was used as the opening position for the 2022/23 forecasts.

The actual financial results achieved for 30 June 2023 are likely to vary from the forecast information presented, and the variations may be material.

Since the approval of the forecasts, no significant change or event has occurred that would have a material impact on the forecasts.

2. Revenue

The specific accounting policies for significant revenue items are explained below.

Revenue Crown

Revenue from the Crown is measured based on the Ministry's funding entitlement for the reporting period. The funding entitlement is established by Parliament when it passes the Appropriation Acts for the financial year. The amount of revenue recognised includes any amendments to appropriations approved in the Appropriation (Supplementary Estimates) Act for the year and certain other unconditional funding adjustments formally approved prior to balance date.

There are no conditions attached to funding from the Crown, however, the Ministry can only incur expenses within the scope and limits of its appropriations.

The fair value of Revenue Crown has been determined to be equivalent to the funding entitlement.

Rental revenue

Rental Revenue under an operating sub-lease is recognised as revenue on a straight-line basis over the lease term.

Breakdown of other revenue and further information

Actual 2021 \$000	Actual 2022 \$000
866 Sub-lease rental recoveries	1,721
60,435 Other recoveries	25,896
61,301 Total revenue other	27,617

The Ministry received other revenue for corporate support services from Oranga Tamariki - Ministry for Children and the Social Wellbeing Agency (\$20.756 million), Promoting Positive Outcomes for Disabled People (\$2.146 million) and other revenue (\$2.994 million). The Ministry also received revenue from sub-leased premises (\$1.721 million).

3. Gains and losses on disposal of property, plant and equipment and intangible assets

Actual 2021 \$000	Actual 2022 \$000
311 Gain / (loss) on disposal of fixed assets	46
- Gain / (loss) on disposal of Intangible asset	(29)
311 Total gains / (losses)	17

During the year the Ministry disposed of assets including motor vehicles that reached a pre-determined mileage and/or life. The net gain on vehicles disposals was \$0.046 million (2021: \$0.311 million gain). The loss on disposal of software licences of \$0.029 million was related to the WebLogic Oracle Licence (2021: nil).

4. Personnel costs

Salaries and Wages

Salaries and wages are recognised as an expense as employees provide services.

Superannuation schemes

Defined contribution schemes

Employee contributions to the State Sector Retirement Savings Scheme, KiwiSaver, and the Government Superannuation Fund are accounted for as defined contribution superannuation schemes and are expensed in surplus or deficit as incurred.

Actual 2021 \$000	Actual 2022 \$000
642,440 Salaries and wages	715,308
(4,780) Increase/(decrease) in employee entitlements	13,993
(149) Increase/(decrease) in restructuring costs	138
19,325 Defined superannuation contribution scheme	22,231
12,008 Other personnel expenses	9,456
668,844 Total personnel costs	761,126

5. Capital charge

The Ministry pays a capital charge to the Crown on its equity at 31 December and 30 June each year. The capital charge rate for the financial year ended 30 June 2022 was 5 percent (2021: 5 percent).

6. Operating expenses

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to the ownership of an asset.

Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

Other expenses

Other expenses are recognised as goods and services are received.

Actual 2021 \$000		Actual 2022 \$000
821	Audit fees	866
75,625	Rental, leasing and occupancy costs	72,777
221	Bad debts written off	686
315,315	Employment support and subsidies	287,137
45,853	Office operating expenses	42,637
-	Software as a Service – reclassification	46,446
140,907	IT related operating expenses	158,022
5,464	Travel expenses	3,146
15,528	Consultancy and contractors' fees	46,656
27,047	Professional fees	11,615
25,108	Other operating expenses	43,695
651,889	Total operating expenses	713,683

Audit fees include statutory audit fees only.

IT related operating expenses includes \$19.151 million expenditure on ICT contractors and consultants (2021: \$27.070 million). Refer to Note 23 expenditure on contractors and consultants.

7. Accounts receivables

Short-term receivables are recorded at the amount due, less an allowance for credit losses. The Ministry applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables.

In measuring expected credit losses, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due.

Short-term receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation or the receivable being more than one year overdue.

Actual 2021 \$000		Actual 2022 \$000
5,334	Gross receivables	7,231
(1,077)	Less: allowance for credit losses	(1,720)
4,257	Net receivables	5,511
Receivables consist of		
4,257	Trade and other receivables	5,511
4,257	Total receivables	5,511

The expected credit loss rates for receivables at 30 June 2022 and 30 June 2021 are based on the payment profile of receivables over the prior two years at the measurement date and the corresponding historical credit losses experienced for that period. The historical loss rates are adjusted for current and forward-looking macroeconomic factors that might affect the recoverability of receivables. Given the short period of credit risk exposure, the effect of macroeconomic factors is not considered significant.

There have been no changes during the reporting period in the estimation techniques or significant assumptions used in measuring the loss allowance.

The allowance for credit losses is determined as follows:

Ageing profile of receivables

as at 30 June 2021				as at 30 June 2022		
Gross \$000	Impairment \$000	Net \$000		Gross \$000	Impairment \$000	Net \$000
4,905	(658)	4,247	Not past due	(80)	-	(80)
2	(2)	-	Past due 1–30 days	2,420	-	2,420
3	(3)	-	Past due 31–60 days	786	-	786
4	(2)	2	Past due 61–90 days	368	-	368
420	(412)	8	Past due >91 days	3,736	(1,720)	2,016
5,334	(1,077)	4,257		7,231	(1,720)	5,511

The movement in the allowance for credit losses:

Actual 2021 \$000		Actual 2022 \$000
861	Balance as at 1 July	1,077
222	Increase in loss allowance made during the year	643
(6)	Receivables written off during the year	-
1,077	Balance at 30 June	1,720

8. Crown receivable

Crown receivable represents cash not yet drawn down from the Treasury. As at 30 June 2022 Crown receivable was \$62.764 million (2021: \$236.917 million).

Actual 2021 \$000		Actual 2022 \$000
236,917	Crown receivable	62,764
236,917	Total crown receivable	62,764

9. Non-current assets held for sale

Non-current assets are considered held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. Non-current assets held for sale are measured at the lower of their carrying amount and their fair value less costs to sell.

Any Impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses previously recognised.

Non-current assets held for sale (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

The Ministry has no non-current assets held for sale as at 30 June 2022 (2021: nil).

10. Property, plant and equipment

Property, plant and equipment consists of the following asset classes: land, buildings, furniture and fittings, computer equipment, motor vehicles, and plant and equipment.

Land is measured at fair value, and buildings are measured at fair value less accumulated depreciation and impairment losses. All other assets classes are measured at cost, less accumulated depreciation and impairment losses.

Individual assets, or groups of assets, are capitalised if their cost is greater than \$2,000.

Revaluation

Land and buildings are revalued at least every three years to ensure the carrying amount does not differ materially from the fair value.

The carrying values of revalued items are assessed annually to ensure that they do not differ materially from fair value. If there is a material difference, then the off-cycle asset classes are revalued.

Land and building revaluation movements are accounted for on a class-of-asset basis.

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class-of-asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Ministry and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at fair value at the date of acquisition.

Disposals

Gains and losses on disposal are determined by comparing the proceeds of disposal with the carrying amount of the asset. Gains and losses on disposal are included in the surplus or deficit. When a revalued asset is sold, the amount included in the property revaluation reserve in respect of the disposed asset is transferred to taxpayers’ funds.

Subsequent costs

Costs incurred after the initial acquisition are capitalised only when it is probable that the future economic benefits or service potential associated with the item will flow to the Ministry and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment (other than land) at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Asset type	Estimated life	Depreciation rate
Buildings (including components)	10–80 years	1.25%–10%
Leasehold improvements	up to 18 years	>6%
Furniture and fittings	3–5 years	20%–33%
Computer equipment	3–5 years	20%–33%
Motor vehicles	4–5 years	20%–25%
Plant and equipment	3–5 years	20%–33%

Leasehold improvements are depreciated over the shorter of the unexpired period of the lease or the estimated remaining useful lives of the improvements.

The residual value and useful life of an asset are reviewed, and adjusted if applicable, at each financial year-end.

Impairment

Property, plant, and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable

service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is determined using an approach based on either a depreciated replacement cost approach, a restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets, the impairment loss is recognised in other comprehensive revenue and expense and decreases the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit.

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss on a revalued asset is recognised in other comprehensive revenue and expense and increases the asset revaluation reserve for that class of asset.

However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of an impairment loss is also recognised in the surplus or deficit.

Estimating the fair value of land and buildings

Valuation

A market valuation of land and buildings owned by the Ministry was completed by an independent registered valuer, Quotable Value Limited as at 30 June 2022.

The valuation involved a desktop review of all of the Ministry's land and buildings assets in compliance with Public Benefit Entity International Public Sector Accounting Standards (PBE IPSAS) and in particular PBE IPSAS 17 – Property, Plant and Equipment.

No significant change was noted between the fair value and the carrying value of the Ministry's land and buildings from this valuation.

Land

Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values. Adjustments have been made to the 'unencumbered' land value where there is a designation against the land or the use of the land is restricted because of reserve or endowment status. These adjustments are intended to reflect the negative effect on the value of the land where an owner is unable to use the land more intensively.

Buildings

Non-specialised buildings are valued at fair value using market-based evidence. Market rents and capitalisation rate methodologies were applied in determining the fair value of buildings.

Breakdown of property, plant and equipment and further information

	Land \$000	Buildings \$000	Furniture and Fittings \$000	Computer Equip- ment \$000	Motor Vehicles \$000	Plant and Equip- ment \$000	Total \$000
Cost or revaluation							
Balance as at 1 July 2020	21,291	25,603	173,457	122,813	27,606	5,941	376,711
Additions by purchase	-	135	13,804	7,291	6,514	2,217	29,961
Revaluation increase/ (decrease)	2,740	1,971	-	-	-	-	4,711
Work in progress movement	-	(314)	(2,965)	4,340	(28)	(931)	102
Asset transfers	-	-	-	-	-	-	-
Other asset movement	-	(846)	-	-	-	-	(846)
Disposals	(14,370)	(72)	(58,586)	(39,614)	(20,971)	(3,220)	(136,833)
Balance as at 30 June 2021	9,661	26,477	125,710	94,830	13,121	4,007	273,806
Balance as at 1 July 2021	9,661	26,477	125,710	94,830	13,121	4,007	273,806
Additions by purchase	-	29	15,069	14,890	427	602	31,017
Revaluation increase/ (decrease)	-	-	-	-	-	-	-
Work in progress movement	-	-	5,062	(15,259)	-	(414)	(10,611)
Asset transfers	-	-	-	-	-	-	-
Other asset movement	-	(1)	-	(2,000)	-	1	(2,000)
Disposals	-	-	(1,269)	(12,249)	(288)	-	(13,806)
Balance as at 30 June 2022	9,661	26,505	144,572	80,212	13,260	4,196	278,406
Accumulated depreciation and impairment losses							
Balance as at 1 July 2020	-	-	108,832	93,327	12,239	3,972	218,370
Depreciation expense	-	850	13,481	7,740	1,898	1,001	24,970
Eliminate on disposal	-	(1)	(53,581)	(39,614)	(10,822)	(3,203)	(107,221)
Eliminate on revaluation	-	-	-	-	-	-	-
Asset transfers	-	-	-	-	-	-	-
Other asset movement	-	(849)	-	-	-	-	(849)
Balance as at 30 June 2021	-	-	68,732	61,453	3,315	1,770	135,270
Balance as at 1 July 2021	-	-	68,732	61,453	3,315	1,770	135,270
Depreciation expense	-	951	14,401	7,541	1,870	1,059	25,822
Eliminate on disposal	-	(1)	(359)	(5,419)	(180)	-	(5,959)
Eliminate on revaluation	-	-	-	-	-	-	-
Asset transfers	-	-	-	-	-	-	-
Other asset movement	-	-	-	-	-	-	-
Balance as at 30 June 2022	-	950	82,774	63,575	5,005	2,829	155,133
Carrying amounts							
At 1 July 2020	21,291	25,603	64,625	29,486	15,367	1,969	158,341
At 30 June and 1 July 2021	9,661	26,477	56,978	33,377	9,806	2,237	138,536
At 30 June 2022	9,661	25,555	61,798	16,637	8,255	1,367	123,273
Unaudited forecast carrying amount at 30 June 2023	9,661	14,262	110,870	47,176	13,478	196	195,643

Work in progress

	Land \$000	Buildings \$000	Furniture and Fittings \$000	Computer Equip- ment \$000	Motor Vehicles \$000	Plant and Equip- ment \$000	Total \$000
Cost or revaluation							
Balance as at 1 July 2020	-	9,594	3,737	14,058	28	1,501	28,918
Work in progress movement	-	(314)	(2,965)	4,340	(28)	(931)	102
Balance as at 30 June 2021	-	9,280	772	18,398	-	570	29,020
Balance as at 1 July 2021	-	9,280	772	18,398	-	570	29,020
Work in progress movement	-	(9,280)	14,342	(15,259)	-	(414)	(10,611)
Balance as at 30 June 2022	-	-	15,114	3,139	-	156	18,409

The total amount of property, plant and equipment under construction and work in progress is \$18,409 million (2021: \$29.020 million).

Restrictions

There are no restrictions over the title of the Ministry’s property, plant and equipment assets. No property, plant and equipment assets are pledged as security for liabilities.

11. Intangible assets

Software acquisition and development

Acquired computer software and licenses are capitalised on the basis of the costs incurred to acquire and bring the specific software into use.

Costs that are directly associated with the development of software for internal use by the Ministry are recognised as an intangible asset. Direct costs include the cost of services, software development employee costs and any directly attributable overheads.

Staff training costs are recognised as an expense when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs of software updates or upgrades are only capitalised when they increase the usefulness or value of the software.

Costs associated with the development and maintenance of the Ministry’s website are recognised as an expense when incurred.

The costs associated with the specific configuration and customisation costs of Software as a Service (SaaS) arrangements where there is no control of the supplier’s software by the Ministry are recognised as an expense when incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit.

The useful lives and associated amortisation rate of our major class of intangible assets have been estimated as follows:

Asset type	Estimated life	Amortisation rate
Developed computer software	3–8 years	12.5%–33%

Impairment

Intangible assets subsequently measured at cost that have an indefinite useful life, or are not yet available for use, are tested annually for impairment, irrespective of whether there is any indicator of impairment.

For further details, refer to the policy for impairment of property, plant and equipment in Note 10. The same approach applies to the impairment of intangible assets.

Useful lives of software

The useful life of software is determined at the time the software is acquired and brought into use and is reviewed at each reporting date for appropriateness. For computer software licences, the useful life represents management’s view of the expected period over which the Ministry will receive benefits from the software, but not exceeding the licence term. For internally generated software developed by the Ministry, the useful life is based on historical experience with similar systems as well as anticipation of future events that might affect the useful life, such as changes in technology.

Breakdown of intangible assets and further information

	Internally generated software \$000	Total \$000
Cost or revaluation		
Balance as at 1 July 2020	537,916	537,916
Additions by purchase and internally generated	40,861	40,861
Work in progress movement	20,418	20,418
Asset transfers	-	-
Other asset movement	(4)	(4)
Disposals	(24,405)	(24,405)
Balance as at 30 June 2021	574,786	574,786
Balance as at 1 July 2021	574,786	574,786
Additions by purchase and internally generated	77,984	77,984
Work in progress movement	5,272	5,272
Asset transfers	2,000	2,000
Other asset movement	-	-
Software as a Service - reclassification	(46,446)	(46,446)
Disposals	(34,547)	(34,547)
Balance as at 30 June 2022	579,049	579,049
Accumulated amortisation and impairment losses		
Balance as at 1 July 2020	363,446	363,446
Amortisation expense	47,661	47,661
Disposals	(24,405)	(24,405)
Asset transfers	-	-
Other asset movement	-	-
Impairment losses	-	-
Balance as at 30 June 2021	386,702	386,702
Balance as at 1 July 2021	386,702	386,702
Amortisation expense	48,881	48,881
Disposals	(34,640)	(34,640)
Asset transfers	-	-
Other asset movement	-	-
Impairment losses	-	-
Balance as at 30 June 2022	400,943	400,943
Carrying amounts		
At 1 July 2020	174,470	174,470
At 30 June and 1 July 2021	188,084	188,084
At 30 June 2022	178,106	178,106
Unaudited forecast carrying amount at 30 June 2023	205,555	205,555

Internally generated software includes \$50.205 million of contractors' and consultants' costs capitalised in 2021/22 (2021: \$52.222 million). Refer to Note 23 expenditure on contractors and consultants.

Work in progress

	Internally generated software \$000	Total \$000
Cost or revaluation		
Balance as at 1 July 2020	42,302	42,302
Work in progress movement	20,418	20,418
Balance as at 30 June 2021	62,720	62,720
Balance as at 1 July 2021	62,720	62,720
Work in progress movement	5,272	5,272
Balance as at 30 June 2022	67,992	67,992

The total amount of intangibles in the course of construction is \$67.992 million (2021: \$62.720 million).

Restrictions

There are no restrictions over the title of the Ministry’s intangible assets; nor are any intangible assets pledged as security for liabilities.

Impairment

The Ministry has not recognised any impairment loss (2021: nil) for internally generated software.

12. Accounts payables and accruals

Short-term payables are measured at the amount payable.

Breakdown of payables and further information

Actual 2021 \$000		Actual 2022 \$000
Payables and deferred revenue under exchange transactions		
23,791	Creditors	16,544
106,138	Accrued expenses	114,339
129,929	Total payables and deferred revenue under exchange transactions	130,883
Payables and deferred revenue under non-exchange transactions		
21,562	GST payable	19,357
21,562	Total payables and deferred revenue under non-exchange transactions	19,357
151,491	Total payables and deferred revenue	150,240

13. Return of operating surplus

Actual 2021 \$000		Actual 2022 \$000
179,559	Net surplus/(deficit)	63,500
Add:		
(1,642)	Retained Surplus	-
177,917	Total repayment of surplus	63,500

The operating surplus must be repaid to the Crown by 31 October each year.

14. Provisions

A provision is recognised for future expenditure of uncertain amount or timing when:

- there is a present obligation (either legal or constructive) as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

Provisions are not recognised for net deficits from future operating activities.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as a finance cost.

Breakdown of provisions and further information

Actual 2021 \$000		Actual 2022 \$000
6,190	ACC Partnership programme	6,941
177	Restructuring provision	157
1,590	Lease reinstatement	1,255
10,167	Other provisions	9,748
18,124	Total provisions	18,101

Movements for each class of provision are as follows:

	ACC Partnership programme \$000	Lease re- instatement \$000	Re- structuring provision \$000	Operating lease incentive \$000	Holidays Act \$000	Total \$000
2021						
Balance as at 1 July 2020	2,898	2,104	1,746	8,255	843	15,846
Additional provisions made	6,624	-	20	-	1,657	8,301
Amounts used	(1,302)	-	(1,107)	(586)	(2)	(2,997)
Unused amounts reversed	-	(344)	(481)	-	-	(825)
Discount unwind	-	(171)	-	-	-	(171)
Transfer to OT	(2,030)	-	-	-	-	(2,030)
Balance as at 30 June 2021	6,190	1,589	178	7,669	2,498	18,124
2022						
Balance as at 1 July 2021	6,190	1,589	178	7,669	2,498	18,124
Additional provisions made	4,281	-	-	-	167	4,448
Amounts used	(1,649)	-	-	(586)	-	(2,235)
Unused amounts reversed	-	-	(21)	-	-	(21)
Discount unwind	-	(334)	-	-	-	(334)
Transfer to OT	(1,881)	-	-	-	-	(1,881)
Balance as at 30 June 2022	6,941	1,255	157	7,083	2,665	18,101

ACC Partnership programme

The Ministry belongs to the ACC Accredited Employer programme, whereby it accepts the management and financial responsibility of the work-related illnesses and accidents. Under the Programme, the Ministry is liable for all claim costs for a period of five years after the end of the cover period in which the injury occurred. At the end of the five-year period, the Ministry pays a premium to ACC for the value of residual claims, and the liability for ongoing claims from that point passes to ACC.

The ACC Partnership programme is measured at the present value of expected future payments to be made for employees’ injuries and claims up to the reporting date using actuarial

techniques. Consideration is given to the expected future wage and salary levels and the experience of employees' claims and injuries.

The Ministry manages its exposure arising from the programme by promoting a safe and healthy working environment by:

- implementing and monitoring health and safety policies
- providing induction training on health and safety
- actively managing workplace injuries to ensure employees return to work as soon as possible
- recording and monitoring workplace injuries and near misses to identify risk areas and implementing mitigating actions
- identifying workplace hazards and implementing appropriate safety procedures.

The Ministry, under the Full Self Cover Plan (FSCP), has opted for a stop loss limit of 160 percent of the industry premium and a High Cost Claims Cover (HCCC) limit of \$500,000.

The Ministry is not exposed to any significant concentrations of insurance risk as work-related injuries, which are generally the result of an isolated event to an individual employee.

An external independent actuarial valuer, Melville Jessup Weaver, has calculated the Ministry's liability. The valuation is effective as at 30 June 2022. The valuer has attested he is satisfied as to the nature, sufficiency and accuracy of the data used to determine the outstanding claims liability. There are no qualifications contained in the actuarial valuer's report.

Lease reinstatement

At the expiry of the lease term for a number of its leased premises, the Ministry is required to remove any fixtures or fittings it has installed.

At year-end there was one site where a lease reinstatement provision had been established with a value of \$1.255 million (2021: one site with a value of \$1.589 million). The timing of any future lease reinstatement work is currently up to 12 years and one month in the future.

In many cases, the Ministry has the option to renew these leases, which has an impact on the timing of the expected cash outflows for reinstatement of leased premises.

The value of the provision is based on a professional assessment by the Ministry's property group taking into account the cost and history of lease reinstatement work.

An asset to the value of \$2.000 million (2021: \$2.000 million) was established for the lease reinstatement costs. This is being depreciated on a straight-line basis for each lease term.

Restructuring provision

A provision for restructuring is recognised when an approved detailed formal plan for the restructuring has been announced publicly to those affected, or implementation has already commenced.

The restructuring provision for equalisation allowances is \$0.157 million (2021: \$0.135 million). This is for staff members affected by restructures in 2009 and 2017 who were reassigned to positions with the Ministry at lower salary levels.

The total restructuring provision as at 30 June 2022 is \$0.157 million (2021: \$0.178 million).

Operating lease incentive

The lease incentive relates to an initial 12-month rent-free period beginning from August 2017 on the National Office building at 56 The Terrace, Wellington. The lease is over a term of 18 years and the rent-free period is currently being amortised over the term of the lease in accordance with generally accepted accounting standards.

Holidays Act provision

The Holidays Act provision accounts for any Ministry payroll compliance issues associated with the Holidays Act 2003. This mainly relates to employees and ex-employees who have worked different shifts and hours each week, resulting in underpaid leave over a period of time. The value of the provision of \$2.665 million (2021: \$2.498 million) is based on a professional assessment by the Ministry's people and capability group.

15. Employee entitlements

Short-term employee entitlements

Employee entitlements that the Ministry expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to but not yet taken at balance date, and sick leave.

The Ministry recognises a liability and an expense for performance payments where it is contractually obliged to pay them, or where there is a past practice that has created a constructive obligation and a reliable estimate of the obligation can be made.

Long-term employee entitlements

Entitlements payable beyond 12 months, such as long service leave and retiring leave, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information
- the present value of the estimated future cash flows.

Presentation of employee entitlements

Sick leave, annual leave, vested long service leave, and non-vested long service leave and retirement leave expected to be settled within 12 months of balance date are classified as current liabilities. All other employee entitlements are classified as non-current liabilities.

Long service leave and retirement leave

The present value of the retirement and long service leave obligations is determined on an actuarial basis using a number of assumptions. Two key assumptions used in calculating this liability are the discount rate and the salary inflation factor. Any changes in these assumptions will have an impact on the carrying amount of the liability.

The Ministry uses the interest rates and the salary inflation factor supplied and published by the Treasury.

Discount rates and salary inflation applied:

as at 30 June 2021			Employee Entitlement Variables	as at 30 June 2022		
2022 %	2023 %	2024 %		2023 %	2024 %	2025 %
0.38	0.81	3.08	Discount rates	3.34	3.70	4.29
3.08	3.08	3.08	Salary inflation	3.01	3.01	3.01

The financial impact of changes to the discount rates and salary inflation variables:

	Actual 2022 \$000	Salary Inflation + 1% 2022 \$000	Salary Inflation - 1% 2022 \$000	Discount + 1% 2022 \$000	Discount - 1% 2022 \$000
Movements					
Current	11,105	35	(33)	(22)	25
Non-current	25,788	1,811	(1,666)	(1,507)	1,665
Total	36,893	1,846	(1,699)	(1,529)	1,690

Breakdown of employee entitlements

Actual 2021 \$000	Actual 2022 \$000
Current liabilities	
7,766 Retirement gratuities and long service leave	11,105
42,663 Annual leave	47,791
1,875 Sick leave	3,129
52,304 Total current liabilities	62,025
Non-current liabilities	
21,393 Retirement gratuities and long service leave	25,788
21,393 Total non-current liabilities	25,788
73,697 Total employment entitlements	87,813

16. Finance leases

A finance lease transfers to the Ministry substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the start of the lease term, finance leases are recognised as assets and liabilities in the Statement of Financial Position at the lower of the fair value of the leased item and the present value of the minimum lease payments.

The finance charge is charged to the surplus or deficit over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no reasonable certainty as to whether the Ministry will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Lease classification

Determining whether a lease agreement is a finance lease or an operating lease requires judgement as to whether the agreement transfers substantially all the risks and rewards of ownership to the Ministry. Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the Statement of Financial Position as property, plant and equipment, whereas with an operating lease no such asset is recognised.

The Ministry has exercised its judgement on the appropriate classification of leases, and has determined that there were no finance leases as at 30 June 2022 (2021: nil).

17. Equity

Equity is the Crown’s investment in the Ministry and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified as taxpayers’ funds and property revaluation reserves.

Property revaluation reserves

These reserves relate to the revaluation of land and buildings to fair value.

Breakdown of equity

Actual 2021 \$000	Actual 2022 \$000
Taxpayers’ funds	
217,703 Balance at 1 July	279,926
179,559 Surplus/(deficit)	63,500
83,910 Capital injection - cash	76,447
- Capital injection - non-cash	102
(1,505) Capital withdrawal - cash	(37,221)
(21,824) Capital withdrawal - non cash	(115)
(177,917) Repayment of surplus	(63,500)
- Other movements	(1)
279,926 Balance at 30 June	319,138
Revaluation reserves	
29,234 Balance at 1 July	33,945
- Revaluation gains	-
4,711 Other movements	-
33,945 Balance at 30 June	33,945
313,871 Total Equity	353,083

18. Reconciliation of net surplus/(deficit) to net cash from operating activities

Actual 2021 \$000	Actual 2022 \$000
179,559 Net surplus/(deficit)	63,500
Add/(less) non-cash items	
24,970 Depreciation	25,822
47,661 Amortisation	48,881
72,631 Total non-cash items	74,703
Add/(less) items classified as investing or financing activities	
(311) (Gains)/losses on disposal property, plant and equipment	(17)
(311) Total items classified as investing or financing activities	(17)
Add/(less) working capital movements	
(237,820) (Increase)/decrease in accounts receivable	172,899
1,967 (Increase)/decrease in prepayments	19,209
18,916 Increase/(decrease) in accounts payable	(1,478)
2,976 Increase/(decrease) in provision for employee entitlements	9,721
2,278 Increase/(decrease) other provisions	(23)
(211,683) Net movements in working capital items	200,328
Add/(less) movements in non-current liabilities	
(8,357) Increase/(decrease) in provision for employee entitlements	4,395
(8,357) Net movements in non-current liabilities	4,395
31,839 Net cash inflow from operating activities	342,909

19. Related party transactions

The Ministry is a wholly-owned entity of the Crown.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect the Ministry would have adopted in dealing with the party at arm’s length in the same circumstances. Transactions with other government agencies (for example, government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

Related party transactions required to be disclosed

The Ministry subleased property to the New Zealand Artificial Limb Service for nominal rent.

Key management personnel compensation

Actual 2021		Actual 2022
Leadership Team, including the Chief Executive		
3,146,641	Remuneration	3,300,626
8.0	Full-time equivalent members	8.1

The above key management personnel disclosure excludes the Minister for Social Development and Employment. The Minister’s remuneration and other benefits are received not only for her role as a member of the key management personnel of the Ministry. The Minister’s remuneration and other benefits are set by the Remuneration Authority under the Members of Parliament (Remuneration and Services) Act 2013 and are paid under the Permanent Legislative Authority, and are not paid by the Ministry of Social Development.

20. Events after the balance sheet date

Whaikaha - the new Ministry of Disabled People will be operational from 1 July 2022 as a departmental agency hosted by the Ministry of Social Development. Whaikaha's funding for 2022/23 is \$51.622 million departmental and \$1,956.769 million non-departmental expenditure. There have been no other significant events after balance date.

21. Financial instruments

Financial instrument categories

The carrying amounts of financial assets and liabilities in each of the PBE IFRS 9 financial instrument categories are as follows:

Actual 2021 \$000		Actual 2022 \$000
Financial assets measured at amortised cost		
135,394	Cash and cash equivalents	290,380
4,257	Receivables (excluding taxes receivable)	5,511
139,651	Total financial assets measured at amortised cost	295,891
Financial liabilities measured at amortised cost		
129,929	Payables (excluding income in advance and tax payments)	130,883
129,929	Total financial liabilities measured at amortised cost	130,883

Fair value hierarchy

For those instruments recognised at fair value in the Statement of Financial Position, fair values are determined according to the following hierarchy:

- quoted market price (level 1) – financial instruments with quoted process for identical instruments in active markets
- valuation technique using observable inputs (level 2) – financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where significant inputs are observable
- valuation techniques with significant non-observable inputs (level 3) – financial instruments valued using models where one or more significant inputs are not observable.

In 2021/22 there were no instruments recognised at fair value in the Statement of Financial Position (2021: nil).

Financial instrument risks

The Ministry’s activities expose it to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. The Ministry has a series of policies to manage the risks associated with financial instruments and seeks to minimise its exposure from financial instruments. These policies do not allow any transactions that are speculative in nature to be entered.

Market risk

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises from future capital purchases and recognised liabilities that are denominated in a foreign currency. The Ministry purchases some capital equipment internationally and is exposed to currency risk arising from various currency exposures, primarily from the United States and Australian dollars. The Ministry’s Foreign Exchange Management Policy requires it to manage currency risk arising from future transactions and recognised liabilities using foreign exchange forward contracts when the total transaction exposure to an individual currency exceeds NZ\$50,000 or the Ministry’s net aggregate New Zealand dollar equivalent exposure at any point in time exceeds NZ\$250,000. The Ministry’s policy has been approved by the Treasury and is in accordance with the requirements of the Treasury’s Guidelines for the Management of Crown and Departmental Foreign-Exchange Exposure.

Sensitivity analysis

As at 30 June 2022, there were no significant foreign exchange exposures that required a sensitivity analysis to be prepared (2021: no significant foreign exchange exposures).

Fair value interest rate risk

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate, or that the cash flows from a financial instrument will fluctuate, due to changes in market interest rates. The Ministry has no exposure to interest rate risk because it has no interest-bearing financial instruments.

Credit risk

Credit risk is the risk that a third party will default on its obligation to the Ministry, causing the Ministry to incur a loss.

In the normal course of the Ministry’s business, credit risk arises from receivables, deposits with banks and derivative financial instrument assets.

These entities have high credit ratings. For its other financial instruments, the Ministry does not have significant concentrations of credit risk.

The Ministry’s maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash and cash equivalents, receivables (refer Note 7), and derivative financial instrument assets. There is no collateral held as security against these financial instruments, including these financial instruments.

Although cash and cash equivalents as at 30 June 2022 are subject to the expected credit loss requirements of PBE IFRS 9, no loss allowance has been recognised because the estimated loss allowance for credit losses is trivial.

The Ministry is permitted to deposit funds only with Westpac (Standard & Poor’s credit rating AA-), a registered bank, and to enter foreign exchange forward contracts with the New Zealand Debt Management Office (Standard & Poor’s credit rating AA).

Liquidity risk

Management of liquidity risk

Liquidity risk is the risk that the Ministry will encounter difficulty raising liquid funds to meet its commitments as they fall due.

In meeting its liquidity requirements, the Ministry closely monitors its forecast cash requirements with expected cash draw-downs from the New Zealand Debt Management Office. The Ministry maintains a target level of available cash to meet liquidity requirements.

Contractual maturity analysis of financial liabilities, excluding derivatives

The table below analyses the Ministry’s financial liabilities (excluding derivatives) into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

Actual 2021 \$000	Actual 2022 \$000
Creditors and other payables	
129,929 Less than six months	130,883
129,929 Total creditors and other payables	130,883

Contractual maturity analysis of derivative financial instrument liabilities

The Ministry currently does not have any forward exchange contract derivatives (2021: nil).

22. Explanation of major variances against budget

	Notes	Actual 2022 \$000	Unaudited Budget 2022 \$000	Variance 2022 \$000
Statement of Comprehensive Revenue and Expense				
Revenue				
Revenue Crown	a	1,601,069	1,483,983	117,086
Revenue other	b	27,617	71,103	(43,486)
Expenses				
Personnel costs	c	761,126	673,445	87,681
Other operating expenses	d	713,683	762,007	(48,324)
Statement of Financial Position				
Equity				
Taxpayers' funds	e	319,138	389,745	(70,607)
Assets				
Non-current assets				
Intangible assets	f	178,106	270,596	(92,490)
Liabilities				
Current liabilities				
Payables and accruals	g	150,240	107,664	42,576
Statement of Cash flows				
Cash flows from operating activities				
Receipts from Crown revenue	h	1,775,222	1,483,983	291,239
Cash flows from investing activities				
Purchase of intangible assets	i	(29,022)	(129,078)	100,056

Statement of comprehensive revenue and expense

- (a) Revenue Crown is higher than budgeted by \$117.086 million, mainly due to increases in funding during the financial year for various employment initiatives (\$34.257 million); from a capital to operating swap for Software as a Service (SaaS) configuration costs (\$30.826 million); drawdown of funding for reducing risk in critical systems and implementing legislative change (\$13.689 million); a retention of underspend from the prior year for Social Cohesion, Kaupapa inquiry and other initiatives (\$10.000 million); Corporate Support Services funding adjustment with Oranga Tamariki - Ministry for Children (\$8.579 million); improving the provision of emergency housing (\$5.250 million) and establishing a Ministry for Disabled People (\$5.000 million).
- (b) Revenue other is lower than budgeted by \$43.486 million, mainly due to a reduction in corporate support services provided to Oranga Tamariki - Ministry for Children.
- (c) Personnel costs is higher than budgeted by \$87.681 million, mainly due to a range of adjustments that impacted the salary profile of Ministry employees during the 2021/22 financial year and changes in the composition of the workforce over that time. Adjustments include implementation of a new pay progression system for staff roles and a highly competitive market impacting starting salary levels.
- (d) Other operating expenses is lower than budgeted by \$48.324 million, mainly due to less demand for employment related programmes and youth services in the 2021/22 financial year.

Statement of financial position

- (e) Taxpayers’ funds is lower than budgeted by \$70.607 million. This is mainly due to the impact of the capital to operating swap for Software as a Service configuration costs (\$30.826 million) and a transfer of capital injection funding forward to 2022/23 for investment in the Ministry’s at-risk Service Delivery Systems and corporate support systems (\$47.336 million).
- (f) Intangible assets is lower than budgeted by \$92.490 million, mainly due to the reclassification of certain Software as a Service assets to operating expenses as a result of a change in accounting treatment where there is no control of the supplier’s software by the Ministry.
- (g) Payables and accruals is lower than budgeted by \$42.576 million, mainly due to the timing of the settlement of invoices.

Statement of cash flows

- (h) Receipts from Revenue Crown are higher than budgeted by \$291.239 million, mainly due to the additional Revenue Crown of \$117.086 million (refer note [a] above) and the drawdown of the Crown receivable balance of \$174.153 million in the current financial year.
- (i) Purchase of intangible assets is lower than budgeted by \$100.056 million mainly due to the reclassification of Software as a Service assets to operating expenses and the transfer of capital injection funding forward to 2022/23 for investment in the Ministry’s at-risk Service Delivery Systems and corporate support systems.

23. Expenditures on contractors and consultants

The Ministry uses contractors and consultants to provide backfill for vacant positions or to cover short-term demand where specialist skills or independent external advice are needed (such as for specific programmes or projects), and in periods of peak demand.

A contractor is a person who is not considered an employee but who provides backfill or extra capacity in a role that exists within the Ministry or acts as an additional resource, for a time-limited piece of work.

A consultant is a person or a firm who is not considered a contractor or an employee but who is engaged to provide expertise in a field not readily available from within the Ministry, for a specific piece of work with a clearly defined scope.

Expenditure on contractors and consultants is as follows:

Actual 2021 \$000		Notes	Actual 2022 \$000
15,528	Contractors and consultants - general	6	46,656
27,070	Contractors and consultants - ICT projects	6	19,151
42,598	Total contractors and consultants - operating		65,807
52,222	Contractors and consultants - capitalised to assets	11	50,205
52,222	Total contractors and consultants - capital		50,205
94,820	Total contractors and consultants		116,012

24. COVID-19 disclosure

All of New Zealand moved to Alert Level 4 from August 2021 and then various parts of the country moved between Alert levels until the end of November 2021. On the 2 December 2021 all of New Zealand moved to the COVID-19 Protection Framework which marked the end of the COVID-19 Alert System.

Impact on operations

The operations of the department were considered essential and continued to operate through all alert levels and the COVID-19 Protection Framework. There has been no material impact on the department’s contracted services arrangements in place with providers, as a result of changes to the COVID-19 alert levels and the introduction of the COVID-19 Protection Framework.

Valuation of land and buildings

The Ministry’s land and buildings are held at fair value. A market valuation of freehold land and buildings was undertaken at 30 June 2022. The Ministry has no evidence that there has been a decline in the value of these assets.

Non-Departmental Statements and Schedules

For the year ended 30 June 2022

The following non-departmental statements and schedules record the revenue, expenses, assets, liabilities, commitments, contingent liabilities, contingent assets, and trust accounts that the Ministry manages on behalf of the Crown.

Schedule of Non-Departmental Revenue

For the year ended 30 June 2022

Actual 2021 \$000		Notes	Actual 2022 \$000	Unaudited Budget 2022 \$000
1	Interest revenue		(8)	-
50	Maintenance capitalisation		259	450
14,018	Programme Recoveries		22,561	20,154
9,017	Student loan - administration fee	3	7,664	9,502
630	Income Related Rent Subsidy recoveries		(120)	1,308
23,716	Total non-departmental revenue		30,356	31,414

Explanations of significant variances against budget are set out in Note 5.

For additional details on Student Loan - administration fee, refer to Note 3.

The accompanying notes form part of these financial statements.

These non-departmental balances are consolidated into the Financial Statements of the Government, and readers of these statements and schedules should also refer to the Financial Statements of the Government for 2021/22.

Schedule of Non-Departmental Capital Receipts

For the year ended 30 June 2022

Actual 2021 \$000		Notes	Actual 2022 \$000	Unaudited Budget 2022 \$000
309,903	Benefit recoveries - current debt		346,343	312,234
466	Benefit recoveries - liable parent contributions		(81)	495
94,964	Benefit recoveries - non-current debt		99,899	94,528
338,471	Overseas pension recoveries		360,692	352,970
132,524	Student Loans - repayment of principal	3	113,028	107,696
876,328	Total non-departmental capital receipts		919,881	867,923

Explanations of significant variances against budget are set out in Note 5.

Benefit recoveries (current and non-current) represents the amounts collected from clients either by way of regular deductions from the client’s benefit payments or repayments from former clients and non-beneficiaries. When a debt is established, it is disclosed as a reduction in social benefit expense.

For additional details on Student Loan - repayment of principal, refer to Note 3.

The accompanying notes form part of these financial statements.

These non-departmental balances are consolidated into the Financial Statements of the Government, and readers of these statements and schedules should also refer to the Financial Statements of the Government for 2021/22.

Schedule of Non-Departmental Expenses

For the year ended 30 June 2022

Actual 2021 \$000	Notes	Actual 2022 \$000	Unaudited Budget 2022 \$000
347,794	Non-departmental output expenses	481,825	378,150
1,319,582	Non-departmental other expenses	6,003,202	1,075,146
1,914,437	Non-departmental capital expenditure	1,735,704	2,121,213
28,545,299	Benefits or related expenses	29,890,295	30,793,481
82,284	Other operating expenses	133,302	119,190
32,209,396	Total non-departmental expenses	38,244,328	34,487,180

Explanations of significant variances against budget are set out in Note 5.

Non-departmental other expenses includes significant COVID-19 and related expenditure. For additional details, refer to Note 6.

The Other operating expenses of \$133,302 million is mainly GST on grants and subsidies paid under non-departmental output expenses and non-departmental other expenses. An input tax deduction is not claimed in non-departmental expenditure.

The accompanying notes form part of these financial statements.

These non-departmental balances are consolidated into the Financial Statements of the Government, and readers of these statements and schedules should also refer to the Financial Statements of the Government for 2021/22.

Schedule of Non-Departmental Assets

As at 30 June 2022

Actual 2021 \$000	Notes	Actual 2022 \$000	Unaudited Budget 2022 \$000
Current assets			
1,218,647	Cash and cash equivalents	470,635	336,745
481,942	Receivables	516,795	1,051,663
33,692	Prepayments - benefits and allowances	2,658	2,011
1,734,281	Total current assets	990,088	1,390,419
Non-current assets			
1,007,131	Receivables	886,207	666,816
35	Other advances	29	30
-	Crown equity investment in Crown Entity	5,000	-
1,007,166	Total non-current assets	891,236	666,846
2,741,447	Total non-departmental assets	1,881,324	2,057,265

Explanations of significant variances against budget are set out in Note 5.

For additional details on cash and cash equivalents refer to Note 4.

For additional details on Receivables refer to Note 2.

The accompanying notes form part of these financial statements.

These non-departmental balances are consolidated into the Financial Statements of the Government, and readers of these statements and schedules should also refer to the Financial Statements of the Government for 2021/22.

Schedule of Non-Departmental Liabilities

As at 30 June 2022

Actual 2021 \$000		Notes	Actual 2022 \$000	Unaudited Budget 2022 \$000
Current liabilities				
553,331	Accruals - other than government departments	4	722,981	680,837
134,468	Tax payable		137,611	133,978
8,021	Other current liabilities	4	381	2,302
695,820	Total non-departmental liabilities		860,973	817,117

Explanations of significant variances against budget are set out in Note 5.

For additional details on Accruals and other current liabilities refer to Note 4.

The accompanying notes form part of these financial statements.

These non-departmental balances are consolidated into the Financial Statements of the Government, and readers of these statements and schedules should also refer to the Financial Statements of the Government for 2021/22.

Schedule of Non-Departmental Commitments

As at 30 June 2022

The Ministry, on behalf of the Crown, has no commitments as at 30 June 2022 (2021: nil).

Schedule of Non-Departmental Contingent Liabilities and Contingent Assets

As at 30 June 2022

Unquantifiable contingent liabilities

The Ministry, on behalf of the Crown, has no unquantifiable contingent liabilities as at 30 June 2022 (2021: nil).

Quantifiable contingent liabilities

There are no quantifiable cases lodged against the Ministry that remain unresolved as at 30 June 2022 (2021: nil).

Unquantifiable contingent assets

The Ministry, on behalf of the Crown, has unquantifiable contingent assets related to wage subsidy recovery claims against a number of recipients of the wage subsidy scheme as at 30 June 2022 (2021: nil).

Quantifiable contingent assets

The Ministry, on behalf of the Crown, has no quantifiable contingent assets as at 30 June 2022 (2021: nil).

The accompanying notes form part of these financial statements.

These non-departmental balances are consolidated into the Financial Statements of the Government, and readers of these statements and schedules should also refer to the Financial Statements of the Government for 2021/22.

Statement of Trust Monies

For the year ended 30 June 2022

The Ministry operates trust accounts as the agent under section 66 of the Public Finance Act 1989. The transactions through these accounts and their balances as at 30 June 2022 are not included in the Ministry’s own financial statements. Movements in these accounts during the year ended 30 June 2022 were:

Actual 2021 \$000	Actual 2022 \$000
Australian Debt Recoveries	
- Balance at 1 July	-
4 Contributions	-
(4) Distributions	-
- Balance at 30 June	-
Australian Embargoed Arrears	
750 Balance at 1 July	1,111
9,800 Contributions	7,496
(9,441) Distributions	(7,769)
2 Revenue	-
1,111 Balance at 30 June	838
Maintenance	
33 Balance at 1 July	204
414 Contributions	394
(243) Distributions	(265)
204 Balance at 30 June	333
Netherlands Debt	
18 Balance at 1 July	12
146 Contributions	68
(152) Distributions	(64)
12 Balance at 30 June	16
1,327 Total trust monies	1,187

Australian Debt Recoveries Trust Account

An agreement exists between the Australian and New Zealand Governments for the Ministry to deduct monies from customers in receipt of a benefit in New Zealand for debts owing in Australia. The trust account records these transactions and transfers the amounts held in the trust account to the Australian Government each month.

Australian Embargoed Arrears Trust Account

Under the reciprocal agreement between the Australian and New Zealand Governments, the New Zealand Government is required to make regular contributions to any former New Zealand residents living in Australia in receipt of a benefit in Australia. The trust account has been established to record any one-off arrears payments.

Maintenance Trust Account

The Ministry is responsible for collecting maintenance arrears owing as at 30 June 1992. Amounts are collected from the non-custodial parent and deposited into the trust account. These amounts are then paid into the custodial parent’s bank account.

Netherlands Debt Trust Account

An agreement exists between the Netherlands and New Zealand Governments for the Ministry to deduct monies from customers in receipt of a benefit in New Zealand for debts owing in the Netherlands. The trust account records these transactions and transfers the amounts held in the trust account to the Netherlands Government each month.

The accompanying notes form part of these financial statements.

These non-departmental balances are consolidated into the Financial Statements of the Government, and readers of these statements and schedules should also refer to the Financial Statements of the Government for 2021/22.

Notes to the Non-Departmental Statements and Schedules

1. Statement of Accounting Policies

Reporting entity

These non-departmental statements and schedules present financial information on public funds managed by the Ministry on behalf of the Crown.

These non-departmental balances are consolidated into the Financial Statements of the Government for the year ended 30 June 2022. For a full understanding of the Crown's financial position, results of operations and cash flows for the year, refer to the Financial Statements of the Government for the year ended 30 June 2022.

Basis of preparation

The non-departmental statements and schedules have been prepared in accordance with the accounting policies of the consolidated Financial Statements of the Government, Treasury Instructions, and Treasury Circulars.

Measurement and recognition rules applied in the preparation of these non-departmental statements and schedules are consistent with generally accepted accounting practice (Public Benefit Entity Accounting Standards) as appropriate for public benefit entities.

Presentation currency and rounding

The non-departmental statements and schedules are presented in New Zealand dollars (NZ dollars) and all values are rounded to the nearest thousand dollars (\$000).

Standards issues and not yet effective and not early adopted

PBE IPSAS 41 Financial Instruments

PBE IPSAS 41 replaces PBE IFRS 9 Financial Instruments and is effective for the year ending 30 June 2023, with earlier adoption permitted. The Ministry has assessed that there will be little change from adopting the new standard as the requirements are similar to those contained in PBE IFRS 9. The Ministry does not intend to adopt the amendment early.

Summary of Significant Accounting Policies

Significant accounting policies are included in the notes to which they relate.

Significant accounting policies that do not relate to a specific note are outlined below.

Revenue

The Ministry administers revenue on behalf of the Crown. This revenue includes student loan administration fees, interest revenue, maintenance capitalisation, Income-related Rent

Subsidy (IRRS) recoveries and miscellaneous revenue.

Student loan administration fee revenue is recognised when the eligible student loan application has been processed.

Interest revenue is the interest on Major Repairs Advances, which were advances made for the repairs or maintenance of clients' homes. This programme is no longer current.

Maintenance capitalisation relates to the old child support scheme managed by the Department of Social Welfare before 1 July 1992. Up until that date, a person who had custody of a child could seek financial support (maintenance) from the non-custodial parent. The maintenance capitalisation revenue is the re-establishment of historical maintenance debt previously written off. The current child support scheme is managed by Inland Revenue.

IRRS recoveries relate to the recovery of debt established after income related rent reviews due to rental underpayments by clients.

Miscellaneous revenue is all the other non-departmental revenues received by the Ministry.

Expenses

Expenses are recognised in the period they relate to.

Welfare benefits are recognised in the period when an application for a benefit has been received and the eligibility criteria met.

Where grants and subsidies are discretionary until payment, the expense is recognised when the payment is made. Otherwise, the expense is recognised when the specified criteria have been fulfilled and notice has been given to the Crown.

Wage subsidy

The Government, in response to the COVID-19 pandemic, introduced a wage subsidy scheme to support employers adversely affected by the COVID-19 pandemic, so that they could continue to pay their employees and support workers to ensure they continue to receive an income, and stayed connected to their employer, even if they were unable to work their normal hours. To achieve its objectives to enable businesses to remain viable and retain staff for the short term, payments under the scheme needed to be facilitated quickly. The internal controls were deliberately designed with that purpose in mind. The resulting 'high trust' environment means there was little delay between application and payment, and little estimation uncertainty. To ensure payments under the Wage Subsidy Scheme are transparent and that the scheme is accountable to the public, the companies that have received payments are identified at <https://www.workandincome.govt.nz/covid-19/wage-subsidy/index.html>.

The Wage Subsidy Scheme was operational during the period 20 August to 9 December 2021.

Foreign currency transactions

Transactions in foreign currencies are initially translated at the foreign exchange rate at the date of the transaction. Foreign exchange gains and losses, resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the Schedule of Non-Departmental Revenue or in the Schedule of Non-Departmental Expenses. Refer to Note 4 for

information on foreign currency risk management.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash in transit and funds held in bank accounts administered by the Ministry.

Commitments

Commitments are future expenses and liabilities to be incurred on contracts that have been entered into at balance date. Information on non-cancellable capital and operating commitments are reported in the schedule of non-departmental commitments.

Cancellable capital commitments that have penalty or exit costs explicit in their agreements on exercising that option to cancel are reported at the lower of the remaining contractual commitment and the value of those penalty or exit costs (i.e. the minimum future payments).

Goods and services tax (GST)

Items in the non-departmental statements and schedules financial statements are stated exclusive of GST, except for receivables and payables, which are stated inclusive of GST. GST is returned on revenue received on behalf of the Crown, where applicable. However, an input tax deduction is not claimed on non-departmental expenditure. Instead, the amount of GST applicable to non-departmental expenditure is recognised as a separate expense in the schedule of non-departmental expenses and eliminated against GST revenue at the consolidation of the Financial Statements of the Government.

Critical accounting estimates

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are in respect of the measurement of social benefit receivables – refer to Note 2.

Budget figures

The 2022 budget figures are for the year ended 30 June 2022, which are consistent with the best estimate financial information submitted to the Treasury for the BEFU for the year ended 30 June 2022.

2. Receivables

Accounts receivables are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate less any provision for impairment, except for social benefit debt receivables.

The impairment of a receivable is established when there is objective evidence that the Ministry will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties for the debtor, a probability the debtor will enter into bankruptcy and defaults in payments are considered indicators that the debt is impaired. The amount of the impairment is the difference between the asset's carrying amount and the

present value of estimated future cash flows, discounted using the effective interest rates. The carrying amount of the asset is reduced using an allowance account, and the amount of the loss is recognised in the Schedule of Non-Departmental Expenses. When a debt is uncollectible, it is written off against the allowance account for debtors. Overdue receivables that are renegotiated are reclassified as current (not past due).

Balances owed to the Ministry are made up of benefits and allowances overpayments, recoverable assistance and fraud repayments. Interest is not charged on benefit recovery and demands for repayment are restricted to prevent client hardship.

Social Benefit receivables

The Ministry engaged Melville Jessup Weaver to estimate the fair value of the Social Benefit Receivables as at 30 June 2022. Key assumptions used by the actuary in the valuation are explained below:

- The nature of these receivables means that outcomes can be highly correlated and are subject to systemic risks. For example, default frequencies and repayment ability could be significantly impacted by any of:
 - Unemployment
 - Insolvency
 - Mortality
 - People moving overseas
 - Benefit eligibility.
- There is uncertainty about the economic effects that COVID-19 will have on the payment behaviour in the future.
- Forecast cash flows are based on the payment rate experience of the portfolio. Payment rate experience is modelled month-by-month for 50 years into the future.
- The Treasury risk-free discount rates are adjusted by adding a margin of 3 percent to obtain risk-adjusted discount rates. This is phased in by duration where the forward rate is set to the minimum of two times the risk-free forward rate and 3 percent on top of the forward rate for that duration. The 3 percent margin was set with reference to credit spread data from investment and speculative grade corporate bond markets. The phasing in by duration is to make the risk-adjustment more realistic in that it doesn't get fully applied to very low short-term rates

The carrying value and the fair value are the same for these amounts. Since there is no market comparison, the fair value is determined by discounting the expected future cash flows by the appropriate interest rates at year-end. The effective interest rates applied at year-end were between 6.34 percent and 7.30 percent (0.38 percent and 4.30 percent at 30 June 2021).

The fair value of the portfolio as at 30 June 2022 is \$1,314 million (\$1,428 million at 30 June 2021).

Social benefit and other receivables

As at 30 June 2022

Actual 2021 \$000		Actual 2022 \$000
Social benefit receivables		
2,175,960	Nominal value of receivables	2,365,294
2,175,960	Gross value of receivables	2,365,294
(747,891)	less provision for impairment	(1,051,319)
1,428,069	Net social benefit receivables	1,313,975
61,003	Other receivables	89,027
1,489,072	Total receivables	1,403,002
Total receivables are represented by:		
481,942	Current	516,795
1,007,131	Non-current	886,207
1,489,073	Balance at end of the year	1,403,002
Social benefit receivables		
Movements in the carrying value of the loans are as follows:		
1,213,750	Balance at 1 July	1,428,069
656,001	Face value of new receivables during the year	28,639
(405,333)	Receivables repaid during the year	(446,161)
(36,349)	Subsequent net impairment	303,428
1,428,069	Balance at 30 June	1,313,975

Impairment is calculated on a collective basis, not on an individual basis. There was a positive net movement in impairment of \$303.428 million during the 2021/22 year (2021: negative \$36.349 million).

The fair value is sensitive to the discount rate and the expected future cash flows. An increase in the discount rate of 1 percent would decrease fair value by approximately \$53 million. A decrease in the discount rate of 1 percent would increase fair value by approximately \$59 million. Since there are no contractual repayment terms, future cash flows assume existing cash flow receipts will continue. These are adjusted for likely negative future events such as death.

Interest rate risk is the risk that the fair value will fluctuate due to changes in interest rates. A range of interest rates is used for every duration year up to 50 years. Different interest rates used for various duration years have increased between 3 percent and 5.96 percent for the 2021/22 financial year (2021: increased between 0.16 percent and 1.79 percent).

Credit risk is the risk that a benefit debt is not repaid before the borrower dies. Benefit policy does not require recipients to provide any collateral or security to support advances made. As the total benefit debt is dispersed over a large number of borrowers, there is no material individual concentration of credit risk. The credit risk is reduced by compulsory deductions from benefit and superannuation payments, provided hardship is not caused.

3. Student Loan advances

Carrying value of Student Loans

As at 30 June 2022

Actual 2021 \$000		Actual 2022 \$000
Student loans		
- Opening nominal balance		
1,554,193	New lending	1,399,613
(132,524)	Repayment	(113,028)
(1,430,686)	Loan balance transfer to IRD	(1,294,249)
9,017	Administration fee	7,664
- Closing nominal balance		
- Net carrying value of student loans		

The Student Loan Scheme is administered by the Ministry in conjunction with the Ministry of Education and Inland Revenue (IR). The Ministry's role is to assess and make payments to students undertaking tertiary education. Student Loans are transferred to IR each day for collection. The interest rate risk and the credit risk on Student Loans are held by IR.

4. Financial Instruments

Financial instrument categories

The carrying amounts of financial assets and financial liabilities in each of the financial instrument categories are:

Actual 2021 \$000		Actual 2022 \$000
Loans and receivables		
1,218,647	Cash and cash equivalents	470,635
61,003	Debtors and other receivables	89,027
1,279,650	Total loans and receivables	559,662
Fair value through surplus or deficit - held for trading		
- Derivative financial instrument liabilities		
Financial liabilities measured at amortised cost		
561,352	Creditors and other payables	723,362

Financial instrument risks

Credit risk

Credit risk is the risk that a third party will default on its obligation to the Ministry, causing the Ministry to incur a loss.

Credit risk arises from funds held with banks and receivables.

The Ministry’s maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash and cash equivalents, receivables. There is no collateral held as security against these financial instruments. Other than Westpac, there are no significant concentrations of credit risk.

The Standard & Poor’s credit ratings for cash and cash equivalents held at Westpac is AA-.

Although cash and cash equivalents as at 30 June 2022 are subject to the expected credit loss requirements of PBE IFRS 9, no loss allowance has been recognised because the estimated loss allowance for credit losses is trivial.

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. The Ministry has no exposure to cash flow interest rate risk because there is no interest on the bank accounts held with the bank.

Liquidity risk

Liquidity risk is the risk the Ministry will encounter difficulty raising liquid funds to meet its commitments as they fall due.

In meeting its liquidity requirements, the Ministry closely monitors its forecast cash requirements with expected cash draw-downs from the New Zealand Debt Management Office. The Ministry maintains a target level of available cash to meet liquidity requirements.

Contractual maturity analysis of financial liabilities, excluding derivatives

The table below analyses the Ministry’s financial liabilities (excluding derivatives) into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

Actual 2021 \$000	Actual 2022 \$000
Creditors and other payables	
561,352 Less than six months	723,362
561,352	723,362

Contractual maturity analysis of derivative financial instrument liabilities

The Ministry currently does not have any forward exchange contract derivatives (2021: nil).

5. Explanation of major variances against budget

Schedule of revenue and expenses

Non-departmental other expenses were higher than budgeted by \$4,928.056 million mainly due to the impact of COVID-19 and the activation of the Business Support Subsidy Scheme during the year (\$4,703.774 million).

Schedule of assets and liabilities

Current and non-current receivables were higher than budget by \$301.137 million mainly because of an increase in the nominal value of social benefit receivables of \$189.334 million during the 2021/22 financial year.

6. COVID-19 disclosure

Non-departmental other expenses include COVID-19 related expenditure and other expenditure.

Actual 2021 \$000	Actual 2022 \$000
COVID-19 Wage Subsidy-related expenditure	
1,196,859 Business Support Subsidy Covid-19	4,703,774
156,221 COVID-19 Apprentice Support	254,558
8,205 COVID-19 Leave Support Scheme	471,401
1,361,285 Total COVID-19-related expenditure	5,429,733
(41,703) Other expenditure	573,469
1,319,582 Total non-departmental other expenses	6,003,202

The recipients of COVID-19 Wage Subsidy and Leave Subsidy have the obligation to repay any amount they are not entitled to, and the Ministry has the right to review any subsidy granted. Businesses have voluntarily refunded subsidies when their eligibility changed, or because revenue was better than expected. As at 30 June 2022, repayments worth \$849.101 million had been identified of which \$801.200 million (more than 94 percent) had been repaid. Wage subsidy recoveries have been offset against Wage Subsidy-related expenditure.

For more information on the COVID-19 payments, please refer to page 64 of this report, which discloses the number of audits and refunds completed.

Appropriation Statements

The following statements report information about the expenses and capital expenditure incurred against each appropriation administered by the Ministry for the year ended 30 June 2022. They are prepared on a GST exclusive basis

In these statements:

- **Remeasurements** are adjustments to departmental output expense appropriations and departmental output expense categories of multi-category appropriations relating to movement in the unvested long service leave provision due to changes in discount rates (the non-departmental other expense Debt Write-downs includes \$227.024 million of remeasurement due to changes in interest rates. MSD is appropriated for expenditure excluding remeasurements.)
- **Appropriation voted** figures are from the 2021/22 Supplementary Estimates of Appropriations for Vote Social Development
- **Location of end-of-year performance information** discloses where end-of year performance information is reported for each appropriation administered by MSD, as detailed below:
 1. Annual Report of the Ministry of Social Development
 2. Annual Report of the Office of the Children's Commissioner
 3. Vote Social Development Non-departmental Appropriations Report
 4. Annual Report of the Social Workers Registration Board
 5. Annual Report of the New Zealand Artificial Limb Service
 6. No reporting required due to an exemption obtained under section 15D of the Public Finance Act 1989.

Statement of cost allocation policies

The Ministry accumulates and allocates costs to departmental output expenses using a three-staged costing system, outlined below.

The first stage allocates all direct costs to output expenses as and when they are incurred.

The second stage accumulates and allocates indirect costs to output expenses based on cost drivers, such as full-time equivalent (FTE) staff and workload information obtained from surveys and/or other data sources, which reflect an appropriate measure of resource consumption/use.

The third stage accumulates and allocates overhead costs to output expenses based on resource consumption/use where possible, such as the FTE staff ratio, or where an appropriate driver cannot be found then in proportion to the cost charges in the previous two stages.

Criteria for direct and indirect costs

Direct costs are costs that vary directly with the level of activity and are causally related, and readily assignable, to an output expense. Overhead costs are costs that do not vary with the level of activity undertaken. Indirect costs are costs other than direct costs or overhead costs.

There have been no changes in cost accounting policies since the date of the last audited financial statements.

Statement of Budgeted and Actual Expenses and Capital Expenditure incurred against appropriations

For the year ended 30 June 2022

Annual and permanent appropriations for the Ministry of Social Development

Expenditure including Remeasurements 2021 \$000	Appropriation title	Expenditure including Remeasurements 2022 \$000	Remeasurements 2022 \$000	Expenditure excluding Remeasurements 2022 \$000	Appropriation voted 2022 \$000	Location of end-of-year performance information
Vote Social Development						
Departmental Output Expenses						
6,231	Administration of Service Cards	6,882	(22)	6,904	6,939	1
56,968	Corporate Support Services	20,756	-	20,756	23,668	6
32,750	Data, Analytics and Evidence Services	37,839	(78)	37,917	43,505	1
1,283	Enhancement and Promotion of SuperGold Cards	1,534	-	1,534	1,700	1
-	Establishing a Ministry for Disabled People	3,740	-	3,740	6,500	1
3,523	Establishment of Independent Monitor of the Oranga Tamariki System	151	-	151	700	1
61,688	Income Support and Assistance to Seniors	52,551	(188)	52,739	53,233	1
3,960	Independent Monitoring and Assurance of the Oranga Tamariki System	7,700	-	7,700	12,034	1
-	Investigating and Responding to Alleged Social Work Offending	-	-	-	300	1
57,631	Investigation of Overpayments and Fraudulent Payments and Collection of Overpayments	48,823	(133)	48,956	49,327	1
22,712	Management of Student Loans	24,438	(85)	24,523	24,887	1
22,722	Management of Student Support	24,447	(85)	24,532	25,009	1
7,731	Planning, Correspondence and Monitoring	5,252	(17)	5,269	5,723	1
18,024	Policy Advice	21,990	(49)	22,039	23,363	1
559	Processing of Veterans' Pensions	685	(2)	687	734	1
6,678	Promoting Positive Outcomes for Disabled People	7,883	(17)	7,900	9,089	1
1,298	Promoting Positive Outcomes for Seniors	1,819	(3)	1,822	2,292	1
64,616	Services to Support People to Access Accommodation	63,124	(176)	63,300	69,350	1

Expenditure including Remeasure-ments 2021 \$000	Expenditure including Remeasure-ments 2022 \$000	Expenditure including Remeasure-ments 2022 \$000	Expenditure excluding Remeasure-ments 2022 \$000	Appropriat-ion voted 2022 \$000	Location of end-of-year performance information
368,374	Total Departmental Output Expenses	329,614	(855)	330,469	358,353
	Departmental Capital Expenditure				
91,343	Ministry of Social Development – Capital Expenditure Permanent Legislative Authority under section 24(1) of the Public Finance Act	49,428	-	49,428	159,772 1
91,343	Total Departmental Capital Expenditure	49,428	-	49,428	159,772
	Non-Departmental Output Expenses				
4,157	Children's Commissioner	4,357	-	4,357	4,357 2
92,257	Community Participation Services	94,937	-	94,937	98,666 3
-	Housing Place-Based Approaches	687	-	687	992 6
1,393	Social Workers Registration Board	1,168	-	1,168	1,168 4
4,286	Student Placement Services	3,512	-	3,512	3,512 6
11,134	Supporting Equitable Pay for Care and Support Workers	15,810	-	15,810	16,032 6
113,227	Total Non-Departmental Output Expenses	120,471	-	120,471	124,727
	Non-Departmental Other Expenses				
1,196,859	Business Support Subsidy COVID-19	4,703,774	-	4,703,774	4,870,000 6
156,221	COVID-19 Apprentice Support	254,558	-	254,558	279,520 6
8,205	COVID-19 Leave Support Scheme	471,401	-	471,401	660,795 6
(14,546)	Debt Write-downs	325,142	227,024	98,118	98,881 6
1,394	Emergency Housing Support	1,890	-	1,890	3,000 6
1,831	Extraordinary Care Fund	1,625	-	1,625	2,308 6
-	Housing Hub capital costs Place-Based Approach	410	-	410	410 6
21,707	Out of School Care and Recreation Programmes	23,889	-	23,889	24,189 3
2,281	Reimbursement of Income Related Rent Overpayments	3,164	-	3,164	3,745 6
-	Retrospective Residential Care Subsidy	4,236	-	4,236	20,000 6
1,373,952	Total Non-Departmental Other Expenses	5,790,089	227,024	5,563,065	5,962,848

Expenditure including Remeasure-ments 2021 \$000	Expenditure including Remeasure-ments 2022 \$000	Expenditure including Remeasure-ments 2022 \$000	Expenditure excluding Remeasure-ments 2022 \$000	Appropriat-ion voted 2022 \$000	Location of end-of-year performance information
	Non-Departmental Capital Expenditure				
250	Children's Commissioner Capital Injection	-	-	-	- 2
-	New Zealand Artificial Limb Service Capital Injection	5,000	-	5,000	5,000 5
349,098	Recoverable Assistance	328,382	-	328,382	362,270 6
1,554,193	Student Loans	1,399,613	-	1,399,613	1,543,593 6
1,903,541	Total Non-Departmental Capital Expenditure	1,732,995	-	1,732,995	1,910,863
	Multi-category appropriations				
294,777	Community Support Services MCA	493,461	(56)	493,517	623,167
	Departmental Output Expenses				
36,324	Developing and Managing Community Services	31,843	(56)	31,899	32,787 1
	Non-Departmental Output Expenses				
73,428	Community Support and Advice	153,720	-	153,720	185,959 1
2,302	Expansion of Kāinga Whānau Ora pilot	2,250	-	2,250	2,250 6
1,299	Improving Children's Participation in Education	1,616	-	1,616	1,616 6
5,668	Participation and Support Services for Seniors	7,393	-	7,393	7,395 1
7,358	Place-Based Approaches	6,534	-	6,534	6,414 1
133,533	Supporting Victims and Perpetrators of Family and Sexual Violence	143,672	-	143,672	149,995 1
	Non-Departmental Other Expenses				
34,865	Community Response to Adverse or Emergency Events	146,433	-	146,433	236,751 1
20,359	Housing Support Assistances MCA	11,576	-	11,576	13,963
	Non-Departmental Output Expenses				
205	Provision to better prepare people for private rental programme	836	-	836	763 6
	Non-Departmental Other Expenses				
9,258	Non-recoverable Housing Support Products	8,031	-	8,031	9,425 1

Expenditure including Remeasure-ments 2021 \$000	Expenditure including Remeasure-ments 2022 \$000	Expenditure including Remeasure-ments 2022 \$000	Expenditure excluding Remeasure-ments 2022 \$000	Appropriat-ion voted 2022 \$000	Location of end-of-year performance information
Non-Departmental Capital Expenditure					
10,896	Recoverable Housing Support Products	2,709	-	2,709	3,775 6
986,327	Improved Employment and Social Outcomes Support MCA	1,269,991	(2,236)	1,272,227	1,447,638
Departmental Output Expenses					
421,149	Administering Income Support	476,924	(1,297)	478,221	539,001 1
450,250	Improving Employment Outcomes	592,121	(874)	592,995	608,152 1
106,468	Improving Work Readiness Outcomes	107,019	(55)	107,074	112,974 1
-	Jobs and Skills Hubs	3,253	(10)	3,263	4,250 1
Non-Departmental Output Expenses					
-	He Poutama Rangatahi	20,456	-	20,456	43,802 1
-	Māori Trades and Training Programmes	11,566	-	11,566	12,021 1
Non-Departmental Other Expenses					
8,460	Flexi-Wage Employment Assistance	58,652	-	58,652	127,438 1
14,705	Partnering for Youth Development MCA	17,790	(14)	17,804	18,711
Departmental Output Expenses					
3,931	Administering Youth Development	4,479	(14)	4,493	5,312 1
Non-Departmental Output Expenses					
10,774	Delivering Youth Development	13,311	-	13,311	13,399 1
1,316,168	Total Multi-Category Appropriations	1,792,818	(2,306)	1,795,124	2,103,479
Benefits or Related Expenses					
2,301,954	Accommodation Assistance	2,386,215	-	2,386,215	2,411,065 6
145,182	Childcare Assistance	131,897	-	131,897	154,209 6
181,665	COVID-19 Income Relief Assistance	-	-	-	-
409,035	Disability Assistance	412,223	-	412,223	415,020 6
1	Family Start/NGO Awards	-	-	-	100 6
478,696	Hardship Assistance	497,138	-	497,138	551,472 6

Expenditure including Remeasure-ments 2021 \$000	Expenditure including Remeasure-ments 2022 \$000	Expenditure including Remeasure-ments 2022 \$000	Expenditure excluding Remeasure-ments 2022 \$000	Appropriat-ion voted 2022 \$000	Location of end-of-year performance information
3,223,603	Jobseeker Support and Emergency Benefit	3,329,681	-	3,329,681	3,406,318 6
16,568,652	New Zealand Superannuation	17,763,967	-	17,763,967	17,814,022 6
32,791	NZ Beneficiaries Stranded Overseas	1,246	-	1,246	1,246 6
293,203	Orphan's/Unsupported Child's Benefit	312,538	-	312,538	319,090 6
1,455,220	Sole Parent Support	1,703,741	-	1,703,741	1,718,566 6
11,268	Special Circumstance Assistance	9,919	-	9,919	11,201 6
589,502	Student Allowances	556,495	-	556,495	638,607 6
17,482	Study Scholarships and Awards	16,798	-	16,798	23,167 6
1,825,735	Supported Living Payment	2,047,416	-	2,047,416	2,067,388 6
-	Training Incentive Allowance	8,787	-	8,787	13,408 6
54	Transitional Assistance	50	-	50	275 6
138,770	Veterans' Pension	133,832	-	133,832	135,853 6
811,630	Winter Energy Payment	513,212	-	513,212	531,577 6
2,362	Work Assistance	3,685	-	3,685	4,301 6
58,494	Youth Payment and Young Parent Payment	61,455	-	61,455	64,133 6
28,545,299	Total Benefits or Related Expenses	29,890,295	-	29,890,295	30,281,018
33,711,904	Total Annual and Permanent Appropriations	39,705,710	223,863	39,481,847	40,901,060
Multi-Year Appropriations					
Departmental Output Expenses					
19,129	Historic Claims Resolution MYA	19,950	-	19,950	24,746 1
19,129	Total Multi-Year Appropriations	19,950	-	19,950	24,746
33,731,033	Total Vote Social Development	39,725,660	223,863	39,501,797	40,925,806

Transfers approved under section 26A of the Public Finance Act

The approved appropriation includes adjustments made in the Supplementary Estimates. No transfers were made under section 26A of the Public Finance Act.

Statement of Expenses and Capital Expenditure incurred without, or in excess of, appropriation or other authority

For the year ended 30 June 2022

Appropriation title	Expenditure excluding Remeasure-ments 2022 \$000	Appropriation voted 2022 \$000	Unappropri-ated expenditure 2022 \$000
Vote Social Development			
Non-Departmental Other Expenses			
Reimbursement of Income Related Rent Overpayments	3,164	3,745	171
Benefits or Related Expenses			
Accommodation Assistance	2,386,215	2,411,065	5,907

Expenses and capital expenditure approved under section 26B of the Public Finance Act

Nil.

Expenses and capital expenditure incurred in excess of appropriation

The Reimbursement of Income Related Rent Overpayments appropriation, had expenses in excess of its Half-Year Economic and Fiscal Update (HYEFU) appropriation level for a short period of time in early April 2022, resulting in unappropriated expenditure of \$0.171 million.

The Ministry has sought validation of this unappropriated expenditure under section 26C of the Public Finance Act.

Expenses and capital expenditure incurred without appropriation or outside scope or period of appropriation

The Accommodation Assistance appropriation had expenditure that was not in accordance with criteria set out in the Social Security Act to which the scope of the appropriation specifically refers. This was as a result of the payment of the Accommodation Supplement to community partners of those in Residential Care. The Ministry of Social Development from 1 July 1993, has treated the community partner as though they are single for the purposes of calculating their Accommodation Supplement entitlement. The rationale for treating community partners as single was because once their partner was in care, their housing needs are more equivalent to those of a single person.

The total unappropriated expenditure over a five year period (from 1 July 2017 to 30 June 2022) as follows.

	\$000
Vote Social Development	
Benefits or Related Expenses	
Accommodation Assistance	
2021/22	1,488
2020/21	1,164
2019/20	1,653
2018/19	974
2017/18	628
Total	5,907

The Ministry has sought validation of this unappropriated expenditure under section 26C of the Public Finance Act.

Cabinet agreed in July 2022 that the Regulatory Systems Bill will align current practice with legislation and that this is scheduled to go before the Parliamentary Business Committee in October 2022. There will be some unappropriated expenditure into the 2022/23 financial year.

Statement of Departmental Capital Injections

For the year ended 30 June 2022

Actual Capital Injection 2021 \$000	Type of Appropriation	Actual Capital Injection 2022 \$000	Approved Appropriation 2022 \$000
83,910	Ministry of Social Development -Capital Injection	76,549	123,900
83,910	Balance at 30 June	76,549	123,900

Statement of Departmental Capital Injections without, or in excess of, authority

For the year ended 30 June 2022

The Ministry has not received any capital injections during the year without, or in excess of, authority.



Ngā apitihanga Appendices



Appendix 1:

Our service catalogue

The following catalogue provides a comprehensive list of services that can be accessed through MSD, categorised by type of service, with a brief description of each.

Income support services	
Main benefits	
Jobseeker Support	A weekly payment that helps people until they find work
Sole Parent Support	A weekly payment that helps single parents find part-time work or get ready for future work
Supported Living Payment	A weekly payment for people who have, or are caring for someone with, a health condition, injury or disability
Young Parent Payment	A weekly payment to help young parents aged 16 to 19 years
Youth Payment	A weekly payment to help young people aged 16 or 17 who cannot live with their parents or guardian and aren't supported by them or anyone else
Emergency Benefit	A payment for people in hardship who cannot support themselves and do not qualify for another main benefit
Orphan's Benefit	A weekly payment that helps carers supporting a child or young person whose parents have died, cannot be found, or cannot look after them because they have a long-term health condition or incapacity
Unsupported Child's Benefit	A weekly payment that helps carers supporting a child or young person whose parents cannot care for them because of a family breakdown
Emergency Maintenance Allowance	Assistance that may be paid to sole parents who do not qualify for any other payment
Housing assistance	
Accommodation Supplement	A weekly payment to help people (beneficiaries, superannuitants and lower-income working households) with their rent, board or the cost of owning a home
Away from Home Allowance	A weekly payment that helps a principal carer with living costs for 16- or 17-year-old dependent child who is living away from home while engaged in tertiary study or an employment-related training course
Public housing assessment	Assessment of eligibility for public housing, housing needs assessment and management of the public housing register (waiting list)
Income Related Rent (IRR)	A subsidised rent scheme for public housing tenants with low incomes, calculated on the basis of a client's assessable income and their household type

Advance payment of benefit for essential repairs and maintenance costs	Homeowners receiving a benefit (including NZ Superannuation or a Veteran's Pension) may be able to get help (which is recoverable) for essential repairs and maintenance to their home
Recoverable Assistance for one-off housing costs	For eligible beneficiaries and non-beneficiaries, recoverable assistance (advance payment of benefit or recoverable assistance for non-beneficiaries) for essential one-off housing-related costs, including Tenancy Bonds, Rent in Advance and Rent Arrears
Housing Support Products:	
Rent Arrears Assistance	A non-taxable, recoverable payment for clients with overdue rent who are at risk of losing their tenancy due to those arrears
Bond Grant	A non-recoverable payment towards the cost of rental bonds for clients who are considered able to afford and sustain alternative housing
Tenancy costs cover	Payment available to people who would be able to get and stay in private rental housing long-term with additional help - if there are costs owing at the end of a tenancy that amount to more than the bond, these will be paid to the landlord
Transition to alternative housing grant	A one-off payment to support public housing tenants who voluntarily move into private housing
Rent in Advance Assistance	Recoverable assistance to help with bond and advance rent payments when entering a tenancy agreement
Moving Assistance	Recoverable payment to help with the cost of moving household furniture, appliances, and personal effects
Emergency Housing Special Needs Grant	Assistance with the cost of emergency housing (usually a motel) where a person has an urgent need and no alternative housing options
Flexible Funding Assistance	Assistance to people in emergency housing who have children and have additional costs for their children arising from living in emergency housing
Housing Brokers	A service to connect MSD clients with local landlords, property developers and investors to build their confidence and to support the match of suitable clients with appropriate housing opportunities
Housing Navigators	Contracted from community organisations, Navigators work with people living in emergency housing to connect them with the support they need (including from health professionals, social service providers and other agencies) to access and sustain housing
Creating Positive Pathways	A trial in partnership with the Department of Corrections and the Ministry of Housing and Urban Development to provide public housing and a support service for people on their release from prison, with a view to reducing recidivism
COVID-19 assistance	
COVID-19 Wage Subsidy	A lump sum payment to cover a 12-week period paid to employers or self-employed people whose income had been affected by COVID-19. Paid from 27 March to 9 June 2020

COVID-19 Wage Subsidy extension	A lump sum payment to cover eight weeks from the date of application, as an extension of previous wage subsidies in response to COVID-19. Paid from 10 June to 1 September 2020
COVID-19 Resurgence Wage Subsidy	A lump sum payment to cover two weeks from the date of application, as a resurgence of COVID occurred in Auckland. Paid from 21 August to 3 September 2020
COVID-19 Wage Subsidy March 21	A lump sum payment to cover two weeks from the date of application, as a resurgence of COVID occurred in Auckland. Paid from 8 to 21 March 2021
COVID-19 Income Relief Payment	A weekly payment paid up to a period of 12 weeks to support those who have lost employment due to COVID-19. Paid from 8 June 2020 to 11 February 2021
COVID-19 Leave Support Scheme	A lump sum payment to cover a four-week period for people who were required to self-isolate and unable to work from home and gain any income. Paid from 28 April 2020, ongoing
Short-Term-Absence Payment	A lump sum payment of \$350 to cover the period a worker is waiting for a COVID-19 test result
Care in the Community welfare response	A complementary response to Care in the Community Health response. The Welfare response is a comprehensive, locally delivered joint response (co-ordinated by MSD and delivered locally by local community providers, Māori community providers, and Pacific providers) which provided food, discretionary costs, and economic support while people were self-isolating at home due to COVID-19

Supplementary assistance

Community Services Card	A service card that allows families to pay less on some health services and prescriptions
Christchurch Mosques Attack Payment	A payment to people and families who were affected by the mosque attacks of 15 March 2019 and cannot earn enough income to pay for the things they need
Temporary Additional Support	A weekly payment that helps people who do not have enough money to cover their essential living costs
Winter Energy Payment	An extra payment to help with the cost of heating a home over the winter months (May to September)
Disability Allowance	A weekly payment for people who have regular, ongoing costs because of a disability, such as visits to the doctor or hospital, medicines, extra clothing or travel
Special Disability Allowance	A weekly payment for people who have a spouse or partner who is in residential care, or has been in a public hospital for over 13 weeks
Residential Care Loan	A payment to help people who are going into residential care and want to keep their home for a while, who may not be able to pay for the cost of care
Residential Care Subsidy	Payment for long-term residential care in a hospital or rest home

Residential Support Subsidy	A payment that helps with the cost of residential support for a person with a physical, sensory, intellectual or psychiatric disability (including drug and alcohol rehabilitation) or disabling chronic health condition who needs residential care as a result
Social Rehabilitation Assistance	A payment that helps people who are in a residential social rehabilitation programme and whose benefit is insufficient to meet the fees
International Custody Dispute Payment	A payment to a parent who is involved in an international custody or access dispute over the care of their child or children and has limited financial support
Community Costs	A weekly payment that helps people in a short-term residential treatment programme meet their essential ongoing costs in the community

Tax credits

Working for Families	Help from MSD and Inland Revenue (IR) to make it easier to work and raise a family
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Hardship assistance

Advance Payment of Benefit	A one-off payment to help you pay an essential or emergency cost if you cannot pay it another way
Recoverable Assistance Payment	A one-off payment to help you pay an essential or emergency cost if you cannot pay it another way
Special Needs Grant	A one-off payment to help you pay an essential or emergency cost if you cannot pay it another way
Driver licence	Help with the costs of getting a driver licence
Steps to Freedom Grant	A payment to help released prisoners get set up in the community
Re-establishment Grant (Special Needs Grant)	A payment to help people in specific circumstances re-establish themselves in the community
Seasonal Work Assistance	Assistance for seasonal workers who are no longer getting a benefit and have lost wages because of work missed due to bad weather
Special Needs (Travel Costs for Visits to Designated Health Practitioners)	A payment to ensure that people who are referred to a designated health practitioner for assessment are not out of pocket for their actual and reasonable travel expenses
Home Help	A payment to help a parent or carer with the cost of home help to complete household tasks or training in parenting skills

One-off assistance

Civil Defence payment	A payment to people or families who are affected by an emergency event
Funeral Grant	To help with some of the funeral costs of someone who has died

Rural Assistance Payments	Financial assistance for farming families following an adverse event or natural disaster
Civilian Amputee Assistance	To help amputees, or those born without a limb(s), with some of their costs when they need to go to an Artificial Limb Centre
Hearing Aid Subsidy	Subsidy available once every six years to cover hearing aids

Support for children and youth

Childcare Subsidy	A payment that helps families with the cost of pre-school childcare
Child Disability Allowance	A fortnightly payment to the main carer of a child or young person with a serious disability, in recognition of the extra care and attention needed for that child
Extraordinary Care Fund	A payment to people who are caring for a child, and getting an Orphan’s Benefit or Unsupported Child’s Benefit for the child
School and Year Start-up Payment	A grant to a person who is caring for someone else’s child and needs help with pre-school or school-related costs at the beginning of the year
Clothing Allowance for Orphan’s Benefit and Unsupported Child’s Benefit	A weekly payment to people getting Orphan’s Benefit or Unsupported Child’s Benefit for children in their care, to help pay for their clothing
Early Learning Payment	To help with the costs of early childhood education for children aged 18 months to three years who are from families enrolled in selected Family Start or Early Start Programmes
Establishment Grant	A one-off payment to carers of someone else’s child to help with the costs when the child first comes into their care, eg a bed, bedding and clothing
Guaranteed Childcare Assistance Payment	A payment to assist with the cost of childcare for people who are under 20 years of age and in full-time education, training or work-based learning
Out of School Care and Recreation (OSCAR) Subsidy	A payment that helps families with the costs of before- and after-school care and school holiday programmes
Holiday and Birthday Allowance	Two individual annual, non-taxable payments to caregivers getting Orphans Benefit or Unsupported Childs Benefit to help with costs of preparing a celebration, purchasing gifts, or planning an event or experience for the child, or children, in the caregiver’s care
Childcare Subsidy	A payment that helps families with the cost of pre-school childcare

Seniors services

New Zealand Superannuation	A fortnightly payment for people aged 65 and over
Veteran’s Pension	A fortnightly payment for veterans who have qualifying operational service in the New Zealand Armed Forces

Student support

Jobseeker Support Student Hardship	A weekly payment to help with living expenses during a study break of more than three weeks
Student Allowance	A weekly payment that can help with living expenses while studying.
Student Accommodation Benefit	A weekly payment to eligible students receiving a Student Allowance to help with their weekly housing costs
Student Loans	A loan to help pay for course fees (the compulsory fees charged by an education provider), study materials (eg books, computer, travel) and living costs
Study scholarships and awards	StudyLink pays scholarships that are awarded through secondary and tertiary institutions
Sole Parent Support - help with study costs	Non-taxable interest-free loan assistance to help with study costs for courses at Level 4 or above on the NZQA Framework
Student Placement Services	Funding to support tertiary students into employment

Employment services

Digital connection for all New Zealanders

Connected	A website, phoneline and face-to-face service to connect people to employment, education and training opportunities and supports
Work the Seasons	A digital service that connects seasonal employers with potential employees
Skills for Industry Virtual Reality	An initiative that assesses the soft skills of potential jobseekers by getting them to complete occupational scenarios on a virtual reality headset. Available in Northland, Auckland, Palmerston North, Wellington and Canterbury by invitation
Click to Enrol	A service that allows clients to self-refer to provider services that deliver employment-related training and upskilling opportunities. People can access the service if they are on or have applied for a main benefit
Rapid Return to Work (RRtW)	A phone-based employment service for up to six weeks that supports people who have recently lost employment and are on or have applied for a main benefit to become work-ready. Key activities for the service include work readiness, assessment of transferable skills, job interview preparation, and CV and cover letter support
Work and Income Online Recruitment Tool (WIORT)	A website that allows employers to list their job vacancies and connect directly with applicants

Training for reskilling, upskilling and career advancement

Skills for Industry	Short-term job-focused training for people on income support who require upskilling for specific requirements identified by industry
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Construction Accord	3,500 training and employment places nationally for entry-level opportunities in the construction sector
Training for Work	Training to help people at risk of long-term benefit receipt to acquire industry-focused skills that are needed to enter employment
Work Confidence	Short-term courses designed to provide the skills, motivation and confidence needed to help participants move into employment or undertake further training or education
Activity in the Community	Projects that offer participants on non-work-obligated benefits the opportunity to gain unpaid work experience in a community organisation
Business Training and Advice Grant	Help for a person starting their own business with developing a business plan, training in business skills, advice and project reports
Youth Service	A Service that helps young people find the best option for education, training or work-based learning
Youth Service NEET	A voluntary targeted service for young people who are not engaged in employment, education or training (NEET), or young people who are at risk of becoming NEET

Tailored employment and career support
(work-focused case management and programmes)

Employment case management	Regular meetings with a case manager to assist clients to prepare for and get into employment
Employment Placement or Assistance Initiative	Employment placement and support services for selected participants
Supporting Offenders into Employment	A cross-agency initiative with the Department of Corrections to improve employment and social outcomes for recently released prisoners, aimed at reducing the risk of reoffending by providing wrap-around supports and services through an intensive case management and a multi-disciplinary service

Job placement (wage subsidies, products and programmes)

Flexi-wage Project in the Community	The programme allows participants to experience project-based work where they can develop work habits and general on-the-job skills
Flexi-wage for self-employment	A subsidy to help with costs while a person starts up their own business. Can include a self-employment start up payment to assist clients with essential business start-up costs
New Employment Transition Grant	A payment that helps people who are no longer on a benefit and who cannot work because of sickness or a breakdown in childcare arrangements
Mainstream Internship Programme	A wage subsidy to help tertiary students with significant disabilities get paid work experience and gain work skills
New Zealand Seasonal Work Scheme	A scheme that helps people in receipt of a benefit to take up fixed-term employment opportunities in regions that have horticulture or viticulture seasonal work available (eg apple harvest or grape pruning)

Enhanced Taskforce Green	A subsidised work experience programme to assist with clean-up after natural disasters
Mainstream Employment Programme	A package of subsidies, training and support to help disabled people, including people with health and mental health conditions, gain paid work experience
Productivity Allowance	A wage subsidy available to an employer while the employee gains skills and establishes the type of support that would be available to anyone starting a new job
Creative Careers Service Pilot	An initiative that provides support, ranging from light-touch support to intensive, one-on-one support, to assist creative jobseekers into sustainable employment in the creative sector. The pilot service supports MSD clients or people who have lost income due to COVID-19 across three regions: Auckland, Waikato, and Nelson
Jobs and Skills Hubs	Three Hubs in Auckland that provide free employment-related support through recruitment and training so people can access long-term work in Auckland's construction and infrastructure sectors. Operated by MSD from 1 July 2021
He Poutama Rangatahi	An initiative that connects youth who are most at risk of long-term unemployment with ongoing support, training and employment. Operated by MSD from 1 July 2021

Education and employment-related training

Course participation assistance	A payment to assist with costs for a client participating in a short-term (not more than 12 weeks duration) employment-related training course
Training Incentive Allowance	A non-taxable payment to support eligible parents, disabled people and carers with study costs when studying at Levels 1 to 3 on the New Zealand Qualifications Framework (NZQF) in an education or training course. From 1 July 2021, the allowance supports study up to Level 7 on the NZQF
Māori Trades and Training Fund	Supports Māori-led employment and training programmes through partnerships between Māori and the Crown. Includes an emphasis on paid training with support services, such as pastoral care, to overcome barriers to participating in training or apprenticeships. Operated by MSD from 1 July 2021
Training Support Fund	A fund to increase disabled people's participation in open employment-related tertiary education by meeting the additional costs incurred as a direct consequence of disability

Financial work incentives (including cash payments, work bonus, exemptions to debt payments)

5K to Work	A payment to a person who is on or eligible to receive a main benefit (or is the partner of a person who is on or eligible to receive a main benefit) and needs to move to take up a full-time job
Work Bonus	A payment to a person who is on a benefit and chooses to work even though they do not have work obligations
Employment Transition Grant	A weekly payment that helps some people who have completed a Supported Living Payment Employment Trial

Flexible Childcare Assistance	Assistance with childcare costs for sole parents who work during times when childcare programmes are closed, eg weekends or nights
Transition to Work Grant	A non-taxable non-recoverable payment that can be made to people on or eligible for a main benefit to help meet the additional costs of entering into employment
In-Work Support Service	An inbound and outbound calling service open to anyone who exits a benefit into employment, providing information, advice and referrals to appropriate agencies to help clients stay in employment
In-Work Payment	An incentive payment to motivate clients who have exited a benefit into employment to stay in employment, restricted to clients who frequently cycle on and off benefit and are at a high risk of falling out of employment

In-work services (including for disabled people)

Vehicle modification funding	Enables people with serious disabilities to purchase or modify a vehicles in order to obtain full-time employment, look after dependent children, or attend study/ training
Job Support Fund	A fund to increase disabled people’s participation in open employment, by meeting the additional costs incurred as a direct consequence of disability
Modification Grant	A payment that helps people with disabilities pay for workplace changes or equipment that makes it easier for them to stay in or get work
Employment Services	A specialist employment support service that supports disabled people who are work ready to gain paid employment, and provides ongoing support while they are working
Targeted Health Interventions	Programmes for people on health- or disability-related benefits who want to work
Te Heke Mai	A coaching and goal-setting programme to support New Zealanders who are looking for work, are in training or are starting new jobs

Employment and wider wellbeing services for disabled people and people with health conditions

Oranga Mahi	A programme of cross-agency trials in partnership with several District Health Boards (DHBs) and Primary Health Organisations (PHOs) to support disabled people and people with health conditions to find and stay in employment and with their wider wellbeing needs
Here Toitū	A service delivered by a dedicated support team that comprises kaimanaaki (health navigators), health practitioners and a dedicated MSD case manager to support people with a health condition or disability to manage their health and wellbeing while taking steps towards sustainable employment
Individual Placement Support (IPS)	An evidence-based practice that integrates employment and mental health services to support people with severe mental health conditions to find and stay in work. Available in Northland, Waitematā, Auckland, Taupō, Taranaki, Whanganui, Wellington and Nelson-Marlborough

Rākau Rangatia	A trial delivering an integrated social and health intervention to people with mild to moderate mental health and substance abuse, in partnership with the with Northland DHB, Manaia Health PHO and Te Hau Āwhiowhio ō Otangarei Trust
REACH	A 12-week programme to support clients to set and achieve their goals using cognitive behaviour techniques with the help of a Key Worker and Living Well Coach, in partnership with the Waikato DHB
Take Charge	A trial to support young people living with common mental health needs or substance addiction to improve their health and wellbeing and find sustainable employment, in partnership with Odyssey House in Canterbury
Puāwaitanga	A phone- and web-based support service provided by Homecare Medical to improve clients’ emotional wellbeing and reduce the likelihood of their health conditions developing or becoming worse
Transition from School	Provides young disabled school students with high or very high needs with support to explore employment, training, and community-based options that are available to them when they leave school
Very High Needs Scheme	Community-based individualised activities or employment programmes for disabled people with very high needs when they leave school
Community Participation Services	Community based programmes that provide employment-related activities, community participation opportunities or further education opportunities for disabled people
Employment Service in Schools	A service that helps secondary school students who have a health or mental health condition, are disabled, or are neurodiverse, plan for their future along with their whānau and school by exploring job and career opportunities. The pilot, run in conjunction with the Ministry of Education began on 1 February 2021 and runs to 30 June 2022
Outward Bound	A programme for people of various ages and abilities who are receiving income support, involving a number of outdoor activities

Youth development (including youth services)

Mana in Mahi - Strength in Work	A programme to enable 18- to 24-year-olds to get paid while training
Whīitiki Tauā	A virtual mentoring service that provides additional support for Mana in Mahi participants. The service aims to help participants achieve long-term sustainable work outcomes
CadetMax	Job-specific training to place young people in South Auckland into an identified job

Support for individuals, whānau and communities

Building Financial Capability Services	Services to empower people to get control of their money, set goals and achieve long-term financial capability and resilience
Campaign for Action on Family Violence	Grant funding to community projects or initiatives focused on preventing family violence through changing attitudes and social norms

Domestic Violence and Witness Protection (Relocation) Programme	Financial assistance to enable people under threat of serious violence to relocate and reside overseas
Family and sexual violence services	Community-based social services that support victims and perpetrators of family violence and sexual violence, including women’s refuges, services for male survivors of sexual abuse and non-mandated perpetrators of family violence and sexual violence, and the 24/7 sexual harm helpline Safe to talk – Kōrero mai, ka ora (0800 044334)
Family Services Directory	Online directory providing access to over 6,000 family and community services
E Tū Whānau	Grant funding to support community action that improves wellbeing and reduces or prevents family violence through the application of E Tū Whanau values
Pasefika Proud	A family violence prevention campaign that works with eight key Pacific nationalities in New Zealand, providing grant funding to support community action grounded in Pacific values
Refugee and Migrant Support	Wrap-around services for former refugees and migrants, aimed at supporting community integration and reducing social harms
Social record development	The social record, similar to an academic record, will help young people demonstrate a wide range of skills and experiences that can reflect their community connectedness and support future learning or employment choices, alongside their educational achievements
Elder Abuse Response	Community-based services responding to elder abuse, including a free help line (0800 EA NOT OK – 0800 3266865) for older people who have concerns about the way they are being treated
Limited Service Volunteer	An voluntary six-week residential training course in partnership with the New Zealand Defence Force that provides life skills to, and builds work confidence for, unemployed young people aged between 18 and 25 years
Community Connection Service	Based in non-government organisations across the country, Connectors offer flexible support to people by connecting them with support and services.
Food Secure Communities	To provide support for community food providers who are distributing food to people and whānau experiencing food insecurity

Appendix 2: Regional locations and benefit data

Notes for all following tables:

- From December 2021, we changed our ethnicity reporting to an approach called ‘total response’. This approach is used in most of our publicly released information. Making this change means we recognise all aspects of someone’s ethnicity. This change reflects our clients more accurately, aligns our approach with Statistics NZ’s reporting and reflects best practice. It allows us to represent the full diversity of communities, whānau, and people in Aotearoa, and helps MSD make better decisions about supporting our clients. A ‘total response’ approach recognises all aspects of someone’s ethnicity, in that if a person identifies with two or more ethnicities, all will be reported on.
- Previously, we reported ethnicity using an approach called ‘prioritised ethnicity’. ‘Prioritised ethnicity’ means that we allocate people to a single ethnic group in an order of priority. The priority used by MSD previously was Māori, Pacific Peoples, Other and NZ European.
- The tables include working age clients only (18 to 64 years)
- MELLA refers to Middle Eastern, Latin American, and African
- To protect client’s confidentiality MSD uses processed to make it difficult to identify an individual person or entity from published data. The following tables have had random rounding to base three applied to all cell counts in the table. The impact of applying random rounding is that columns and rows may not add exactly to the given column or row totals. The published counts will never differ by more than two counts.

Northland							
Regional Commissioner	Graham MacPherson						
Regional Office	2nd Floor, 49-53 James Street, Whangarei 0110 (PO Box 947, Whangārei)						
Site offices located in	Takuira/Dargaville, Kaikohe, Kaitaia, Kamo, Kawakawa, Kerikeri, Whangārei						
Benefits in force	June 2020		June 2021		June 2022		
Male	9,366	46.8%	9,171	46.1%	8,868	44.6%	
Female	10,626	53.2%	10,698	53.8%	10,965	55.2%	
Gender Diverse	3	0.0%	12	0.1%	30	0.2%	
NZ European	8,547	42.8%	8,637	43.5%	8,697	43.8%	
Māori	12,213	61.1%	12,117	61.0%	11,988	60.4%	
Pacific Peoples	726	3.6%	744	3.7%	714	3.6%	
Asian	162	0.8%	147	0.7%	165	0.8%	
MELAA	48	0.2%	45	0.2%	36	0.2%	
Other	333	1.7%	336	1.7%	324	1.6%	
Unspecified	615	3.1%	546	2.7%	615	3.1%	
Age 24 years and under	3,282	16.4%	3,087	15.5%	3,012	15.2%	
One year or less	6,438	32.2%	4,896	24.6%	5,118	25.8%	
More than one year	13,554	67.8%	14,982	75.4%	14,748	74.2%	
Total	19,992		19,878		19,863		

Auckland (North and West; Central and East; South)							
Regional Commissioners	Glenn Mckay (North and West); Mark Goldsmith (Central and East); Jules Lynch (South)						
Regional Office	Building A, 65 Main Highway, Ellerslie, Auckland 1051, Private Bag 68911, Victoria Street West, Auckland						
Site offices located in	Ōkahukura/Albany, Te Whau/Avondale, Clendon, Glenfield, Glenmall, Grey Lynn, Te Awaroa/Helensville, Highland Park, Hunters Corner, Māngere, Manukau, Manurewa, Mt Albert, ¹ Maungawhau/Mt Eden, New Lynn, Onehunga, Ōrewa, Ōtāhuhu, Ōtara, Papakura, Papatoetoe, Pukekohe, Queen Street, Takapuna, Tāmaki, Te Tātua-a-Riukiuta/Three Kings, Waiheke Island, Waitākere, Waitākere Outreach (Henderson), Waiuku, Mahurangi/Warkworth, Westgate						
Benefits in force	June 2020		June 2021		June 2022		
Male	47,454	44.2%	48,033	44.0%	45,090	42.9%	
Female	59,751	55.7%	61,011	55.8%	59,664	56.8%	
Gender Diverse	84	0.1%	225	0.2%	291	0.3%	
NZ European	39,783	37.1%	39,624	36.3%	37,449	35.6%	
Māori	31,881	29.7%	32,889	30.1%	32,529	31.0%	
Pacific Peoples	25,416	23.7%	26,889	24.6%	26,157	24.9%	
Asian	11,709	10.9%	11,895	10.9%	11,061	10.5%	
MELAA	2,946	2.7%	3,000	2.7%	2,865	2.7%	
Other	4,869	4.5%	5,169	4.7%	5,088	4.8%	
Unspecified	5,436	5.1%	5,154	4.7%	5,067	4.8%	
Age 24 years and under	18,687	17.4%	17,205	15.7%	15,564	14.8%	
One year or less	38,625	36.0%	29,259	26.8%	26,505	25.2%	
More than one year	68,658	64.0%	80,007	73.2%	78,543	74.8%	
Total	107,287		109,272		105,048		

¹ The Mt Albert site office is currently closed for seismic strengthening.

Waikato							
Regional Commissioners		Te Rehia Papesch					
Regional Office		Anglesea Tower, cnr Collingwood and Anglesea Streets, Hamilton 3204 (PO Box 19199, Hamilton)					
Site offices located in		Kemureti/Cambridge, Dinsdale, Five Cross Roads, Glenview, Kirikiriroa/ Hamilton Central, Hamilton East, Rahui-Pōkeka/Huntly, Matamata, Morrinsville, Ngāruawāhia, Paeroa, Te Awamutu, Hauraki/Thames, Waihi					
Benefits in force		June 2020		June 2021		June 2022	
Male		13,803	45%	13,407	44%	12,543	42%
Female		16,659	55%	17,130	56%	17,112	58%
Gender Diverse		21	0%	51	0%	78	0%
NZ European		15,621	51%	15,498	51%	15,027	51%
Māori		13,638	45%	13,848	45%	13,530	46%
Pacific Peoples		1,233	4%	1,290	4%	1,275	4%
Asian		969	3%	1,008	3%	936	3%
MELAA		486	2%	471	2%	474	2%
Other		954	3%	975	3%	984	3%
Unspecified		1,233	4%	1,194	4%	1,254	4%
Age 24 years and under		5,757	19%	5,226	17%	4,779	16%
One year or less		10,263	34%	7,674	25%	7,395	25%
More than one year		20,217	66%	22,914	75%	22,341	75%
Total		30,480		30,585		29,736	

Bay of Plenty							
Regional Commissioners		Mike Bryant					
Regional Office		1207 Pukuatua Street, Rotorua 3010 (Private Bag 3016, Rotorua)					
Site offices located in		Greerton, Kawerau, Mt Maunganui, Murupara, Ōpōtiki, Rotorua, Taupō, ² Tauranga, Te Puke, Tokoroa, Tūrangi, Whakatāne					
Benefits in force		June 2020		June 2021		June 2022	
Male		14,400	44.6%	14,124	43.1%	13,932	41.8%
Female		17,892	55.4%	18,642	56.8%	19,302	58.0%
Gender Diverse		15	0.0%	27	0.1%	60	0.2%
NZ European		18,219	56.4%	18,756	57.2%	19,176	57.6%
Māori		14,322	44.3%	14,421	44.0%	14,568	43.8%
Pacific Peoples		1,404	4.3%	1,419	4.3%	1,512	4.5%
Asian		423	1.3%	429	1.3%	411	1.2%
MELAA		108	0.3%	93	0.3%	99	0.3%
Other		579	1.8%	594	1.8%	597	1.8%
Unspecified		1,200	3.7%	1,185	3.6%	1,245	3.7%
Age 24 years and under		5,901	18.3%	5,331	16.3%	5,304	15.9%
One year or less		11,919	36.9%	8,949	27.3%	9,339	28.1%
More than one year		20,388	63.1%	23,847	72.7%	23,958	72.0%
Total		32,310		32,796		33,294	

² Taihape, Taumarunui, Taupō, Hornby and Ruatōria sites are Heartland Services sites that are hosted by MSD. As of 1 July 2022, these sites were disestablished as Heartland sites.

East Coast							
Regional Commissioners		Karen Bartlett					
Regional Office		245-247 Tennyson Street, Napier 4142 (Private Bag 6015, Napier)					
Site offices located in		Paharakeke/Flaxmere, Tūranga-nui-a-Kiwa/Gisborne, Heretaunga/Hastings, Ahuriri/Napier, Ruatōria, ³ Taradale, Waipukurau, Wairoa					
Benefits in force		June 2020		June 2021		June 2022	
Male		9,051	43.3%	8,598	42.4%	8,046	40.9%
Female		11,826	56.6%	11,661	57.5%	11,613	59.0%
Gender Diverse		15	0.1%	24	0.1%	30	0.2%
NZ European		12,393	59.3%	11,997	59.1%	11,616	59.0%
Māori		8,682	41.6%	8,424	41.5%	8,283	42.1%
Pacific Peoples		852	4.1%	846	4.2%	804	4.1%
Asian		195	0.9%	204	1.0%	198	1.0%
MELAA		69	0.3%	72	0.4%	81	0.4%
Other		363	1.7%	378	1.9%	378	1.9%
Unspecified		669	3.2%	666	3.3%	663	3.4%
Age 24 years and under		3,702	17.7%	3,288	16.2%	2,925	14.9%
One year or less		7,110	34.0%	5,277	26.0%	5,043	25.6%
More than one year		13,785	66.0%	15,009	74.0%	14,643	74.4%
Total		20,889		20,283		19,686	

3 Ruatōria is a Heartland site that is run out of a District Court by an MSD case Manager.

Taranaki, King Country and Whanganui							
Regional Commissioners		Gloria Campbell					
Regional Office		Dawson House, 37 Dawson Street, New Plymouth 4310 (Private Bag 2005, New Plymouth)					
Site offices located in		Hāwera, Tutaenui/Marton, Ngāmotu/New Plymouth, Ohakune, Whakaahurangi/Stratford, Taihape, ⁴ Taumarunui, ⁵ Te Kuiti, Waitara, Whanganui					
Benefits in force		June 2020		June 2021		June 2022	
Male		9,108	46.8%	8,802	45.9%	8,412	44.6%
Female		10,335	53.1%	10,350	54.0%	10,404	55.1%
Gender Diverse		9	0.0%	27	0.1%	54	0.3%
NZ European		8,349	42.9%	8,322	43.4%	8,046	42.6%
Māori		11,580	59.5%	11,400	59.4%	11,466	60.8%
Pacific Peoples		459	2.4%	435	2.3%	462	2.4%
Asian		144	0.7%	138	0.7%	135	0.7%
MELAA		39	0.2%	42	0.2%	39	0.2%
Other		351	1.8%	348	1.8%	354	1.9%
Unspecified		720	3.7%	675	3.5%	609	3.2%
Age 24 years and under		3,312	17.0%	2,955	15.4%	2,739	14.5%
One year or less		6,018	30.9%	4,617	24.1%	4,677	24.8%
More than one year		13,434	69.1%	14,562	75.9%	14,193	75.2%
Total		19,452		19,179		18,870	

4 Taihape, Taumarunui, Taupō, Hornby and Ruatōria sites are Heartland Services sites that are hosted by MSD. As of 1 July 2022, these sites were disestablished as Heartland sites.
5 Taihape, Taumarunui, Taupō, Hornby and Ruatōria sites are Heartland Services sites that are hosted by MSD. As of 1 July 2022, these sites were disestablished as Heartland sites.

Central							
Regional Commissioners		Blair McKenzie					
Regional Office		32 Victoria Avenue, Palmerston North 4410 (Private Bag 11400, Palmerston North)					
Site offices located in		Taniwaka/Dannevirke, Aorangi/Feilding, Te Awahou/Foxton, Horowhenua/Levin, Kāpiti, Ōtaki, Te Papa-i-Oea/Palmerston North, Wairarapa/Masterton					
Benefits in force		June 2020		June 2021		June 2022	
Male		10,047	46.5%	9,534	45.2%	8,958	43.6%
Female		11,559	53.5%	11,508	54.6%	11,526	56.1%
Gender Diverse		15	0.1%	36	0.2%	60	0.3%
NZ European		7,260	33.6%	7,128	33.8%	7,026	34.2%
Māori		14,085	65.1%	13,749	65.2%	13,347	65.0%
Pacific Peoples		765	3.5%	774	3.7%	777	3.8%
Asian		489	2.3%	441	2.1%	432	2.1%
MELAA		96	0.4%	93	0.4%	87	0.4%
Other		609	2.8%	615	2.9%	570	2.8%
Unspecified		909	4.2%	813	3.9%	864	4.2%
Age 24 years and under		3,774	17.5%	3,306	15.7%	3,000	14.6%
One year or less		6,501	30.1%	4,878	23.1%	4,827	23.5%
More than one year		15,123	69.9%	16,197	76.8%	15,714	76.5%
Total		21,624		21,078		20,544	

Wellington							
Regional Commissioners		Gagau Annandale-Stone					
Regional Office		186-190 Willis Street, Wellington 6011 (PO Box 27504, Wellington)					
Site offices located in		Johnsonville, Te Awakairangi/Lower Hutt, Naenae, Newtown, Porirua, Te Awakairangi ki Uta/Upper Hutt, Wainuiomata, Te Whanganui-a-Tara/Wellington					
Benefits in force		June 2020		June 2021		June 2022	
Male		13,005	48.7%	12,684	48.1%	11,616	46.7%
Female		13,662	51.2%	13,578	51.5%	13,074	52.6%
Gender Diverse		42	0.2%	114	0.4%	180	0.7%
NZ European		8,037	30.1%	8,139	30.9%	7,860	31.6%
Māori		13,545	50.7%	13,431	50.9%	12,558	50.5%
Pacific Peoples		3,501	13.1%	3,588	13.6%	3,381	13.6%
Asian		1,551	5.8%	1,470	5.6%	1,332	5.4%
MELAA		921	3.4%	936	3.5%	891	3.6%
Other		1,029	3.9%	1,050	4.0%	1,017	4.1%
Unspecified		1,506	5.6%	1,272	4.8%	1,233	5.0%
Age 24 years and under		5,265	19.7%	4,851	18.4%	4,290	17.2%
One year or less		8,844	33.1%	6,594	25.0%	5,949	23.9%
More than one year		17,865	66.9%	19,782	75.0%	18,918	76.1%
Total		26,709		26,376		24,870	

Nelson, Marlborough and West Coast							
Regional Commissioners		Craig Churchill					
Regional Office		22 Bridge Street, Nelson 7010 (Private Bag 24, Nelson)					
Site offices located in		Waiharakeke/Blenheim, Māwhera/Greymouth, Kaikoura, Motueka, Whakatū/Nelson, Richmond, Takaka, Kawatiri/Westport					
Benefits in force		June 2020		June 2021		June 2022	
Male		5,778	47.9%	5,454	46.3%	5,211	44.8%
Female		6,288	52.1%	6,303	53.5%	6,387	54.9%
Gender Diverse		9	0.1%	24	0.2%	33	0.3%
NZ European		2,481	20.5%	2,538	21.5%	2,460	21.2%
Māori		9,255	76.6%	9,117	77.4%	9,042	77.7%
Pacific Peoples		204	1.7%	162	1.4%	186	1.6%
Asian		207	1.7%	156	1.3%	171	1.5%
MELAA		48	0.4%	42	0.4%	48	0.4%
Other		360	3.0%	330	2.8%	315	2.7%
Unspecified		543	4.5%	459	3.9%	459	3.9%
Age 24 years and under		1,833	15.2%	1,404	11.9%	1,278	11.0%
One year or less		4,302	35.6%	3,027	25.7%	2,982	25.6%
More than one year		7,770	64.3%	8,748	74.3%	8,652	74.4%
Total		12,075		11,778		11,631	

Canterbury							
Regional Commissioners		Diane McDermott					
Regional Office		161 Cashel Street, Christchurch 8053 (PO Box 249, Christchurch)					
Site offices located in		Hakatere/Ashburton, Hornby, ⁶ Linwood, Kaiuau/New Brighton, Papanui, Rangiora, Riccarton, Shirley, Sydenham					
Benefits in force		June 2020		June 2021		June 2022	
Male		16,806	48.1%	16,953	46.7%	15,669	44.8%
Female		18,135	51.9%	19,221	53.0%	19,176	54.8%
Gender Diverse		30	0.1%	93	0.3%	165	0.5%
NZ European		7,110	20.3%	7,512	20.7%	7,377	21.1%
Māori		25,050	71.6%	25,893	71.4%	24,930	71.2%
Pacific Peoples		1,413	4.0%	1,482	4.1%	1,386	4.0%
Asian		1,206	3.4%	1,311	3.6%	1,269	3.6%
MELAA		321	0.9%	351	1.0%	327	0.9%
Other		1,236	3.5%	1,293	3.6%	1,272	3.6%
Unspecified		1,713	4.9%	1,713	4.7%	1,734	5.0%
Age 24 years and under		6,300	18.0%	5,832	16.1%	5,211	14.9%
One year or less		11,712	33.5%	9,417	26.0%	8,607	24.6%
More than one year		23,256	66.5%	26,850	74.0%	26,400	75.4%
Total		34,968		36,270		35,004	

⁶ Taihape, Taumarunui, Taupō, Hornby and Ruatōria sites are Heartland Services sites that are hosted by MSD. As of 1 July 2022, these sites were disestablished as Heartland sites.

Southern						
Regional Commissioners	Steph Voight					
Regional Office	John Wickliffe House in the Exchange, 265 Princes Street, Dunedin 9016 (PO Box 297, Dunedin)					
Site offices located in	Manuherikia/Alexandra, Iwikatea/Balclutha, Ōtepoti/Dunedin Central, Dunedin South, Maruawai/Gore, Waihōpai/Invercargill, Te Konika o te Matamata/Mosgiel, Te Oha-a-Maru/Oamaru, Tāhuna/Queenstown, Te Tihi-o-Maru/Timaru					
Benefits in force	June 2020		June 2021		June 2022	
Male	10,779	48.6%	10,494	47.5%	9,810	45.8%
Female	11,367	51.3%	11,553	52.3%	11,511	53.7%
Gender Diverse	21	0.1%	60	0.3%	117	0.5%
NZ European	4,077	18.4%	4,215	19.1%	4,110	19.2%
Māori	17,139	77.3%	17,076	77.2%	16,569	77.3%
Pacific Peoples	600	2.7%	648	2.9%	621	2.9%
Asian	339	1.5%	327	1.5%	306	1.4%
MELAA	198	0.9%	186	0.8%	183	0.9%
Other	678	3.1%	663	3.0%	633	3.0%
Unspecified	987	4.5%	888	4.0%	924	4.3%
Age 24 years and under	3,861	17.4%	3,489	15.8%	3,216	15.0%
One year or less	7,782	35.1%	6,273	28.4%	5,763	26.9%
More than one year	14,379	64.9%	15,831	71.6%	15,675	45.8%
Total	22,164		22,107		21,438	

Appendix 3: Information-sharing agreements

Approved information-sharing agreement between the Ministry of Social Development, the Ministry of Education and Oranga Tamariki – Information sharing to support services for disengaged youth

MSD is the lead agency for the approved information-sharing agreement (AISA) with the Ministry of Education (MoE) and Oranga Tamariki (OT) for providing services to help disengaged youth move into education, employment or training, and must report annually on the following information specified by the Privacy Commissioner.

The NEET (Not in Education, Employment or Training) Service was established in 2012 within the Youth Service. Referrals to youth providers are generated by a statistical predictive modelling tool that identifies school leavers who may be at risk of long-term unemployment. The model takes into account the age of a young person, whether their parents are on a benefit, any history of involvement with Oranga Tamariki, and their school history. Only young people with a risk rating of High or Very High are referred to the Service, so that they can receive intensive support.

Participation in the NEET Service is voluntary; the young person is contacted by a youth service provider, but they can choose not to enrol, and they can stop participating at any time without any effect on their other entitlements. NEET clients can remain in the Youth Service for up to three years from the age of 16.

More information about the Service and how the model works can be found at <https://www.youthservice.govt.nz/education-and-work/your-education/>

Young people can also refer themselves to the NEET Service for support, through a youth service provider. The AISA does not directly apply to these ‘walk-ins’, but their needs are calculated using a simplified version of the predictive model.

This is the fifth report on this AISA. It covers the period 1 July 2021 to 30 June 2022.⁷

2020/21		2021/22
40,898	Total MoE records received by MSD ⁸	45,266
15,393	Total OT records used by MSD ⁹	16,969
40,017	Unique students for whom profiles were created ¹⁰	44,301
40,017	Of these, profiles that included information from MoE	44,301
14,821	Of these, profiles that included information from OT	44,301
32,803	Of these, profiles that included information from MSD	16,397
6,157	‘Most at risk’ individuals identified and referred to external provider	4,426
6,157	Of these, profiles that included information from MoE	4,426
5,107	Of these, profiles that included information from OT	4,296
6,104	Of these, profiles that included information from MSD	4,390
Benefits		
2020/21		2021/22
1,494	Active enrolment count of NEET clients at the beginning of the period	2,272
438	Of these, enrolments from referrals using information combined to make a single profile ¹¹	592
2,920	Count of NEET clients enrolled during period	2,343
864	Of these, enrolments from referrals using information combined to make a single profile ¹²	
2,272	Active enrolment count of NEET clients at the end of the period	2,306
592	Of these, enrolments from referrals using information combined to make a single profile ¹³	527
2,896	Individuals re-engaged in education, training or work-based learning ¹⁴	2,985
674	Of these, outcomes from referrals using information combined to make a single profile	584

We make sure our model is accurate and its data is protected.

We measure model accuracy each time the model is refreshed.

The Youth Service Model was last updated in August 2020. This model was assessed using lift at the top 10 percent threshold, which indicates how much better the model does compared to random decision-making. The model had a lift of 3.22, meaning it correctly ranked the young people in the top 10 percent 3.22 times more often than a random selection.

⁷ The information provided below has been expanded to include the use of Oranga Tamariki’s information.
⁸ As the NEET model is dynamic, the information reported for 2021/22 is as at 18 July 2022.
⁹ Ibid
¹⁰ Ibid
¹¹ The number of enrolments includes some enrolments:
• that were triggered by a benefit being declined or cancelled - we are currently unable to separate these enrolments
• for clients who transferred between regions and for whom the original trigger may not have been the information from the NEET model
- we are currently unable to determine the original trigger for these enrolments.
¹² Ibid
¹³ Ibid
¹⁴ The number of individuals includes current clients and those who exited the service during the year.

The model is monitored fortnightly by a team of analysts and other than some reflection of COVID effects, no issues were detected with either the inputs or results. During the period 10.16% of school leavers were referred to providers, very close to the expected 10%. With the number referred close to target, thresholds were not refreshed in 2022. The full model will be updated before 2024.

We securely store the model and data outputs within the MSD data warehouse. No security problems have been identified during the reporting year.

Effectiveness of information-sharing under the agreement

The information sharing itself has not changed this year.

The accuracy of contact information provided under the AISA remains an issue, as providers may be unable to contact young people who have been referred to providers of the service. However, since providers generally source their own clients rather than relying on referrals, the overall effect on the Service is not high. Information sharing provides a useful level of assurance that young people who have significant need for support (and who might not otherwise be identified by community providers) will be offered assistance.

Number of complaints

No complaints were received in 2021/22 about any alleged interference with privacy under the agreement (2020/21: no complaints).

Amendments to the AISA since the last report

There have been no amendments to the AISA since the last report.

Approved information-sharing agreement between the Ministry of Social Development and the New Zealand Customs Service

MSD is the lead agency for the approved information-sharing agreement (AISA) with the NZ Customs Service (Customs) that permits and regulates the sharing of arrivals and departures information to MSD. The information shared under this agreement is used to verify the entitlement or eligibility of any client travelling overseas to receive a payment, to avoid overpayments, and to enable recovery of debt. Prior to the AISA coming into force in May 2019, MSD had to provide ten working days’ notice to clients before suspending supplementary payments. This meant that many clients incurred a debt that they then had to repay.

The AISA allows MSD to suspend most payments without prior notice when information shared by Customs shows that a client has been overseas for longer than permitted by the eligibility rules that apply to that payment. The exceptions are payments for NZS, Veteran’s Pension, Student Allowance, and non-beneficiary supplementary assistance where debt is created: for these payments, clients must still receive ten working days’ notice.

The report distinguishes between the impact of the match on current clients (who may lose eligibility to some or all of their payments as a result of overseas travel), and that on former clients who owe a debt to MSD and who are identified in Customs data as having returned to New Zealand.

As lead agency, MSD is required to report on the operation of the AISA in its Annual Report. The Privacy Commissioner determines the matters that have to be reported.

This is the third report on this AISA. It covers the period 1 July 2021 to 30 June 2022.

2020/21		2021/22
1,236,180	Individuals whose travel movement were shared ¹⁵	3,107,368
21,879	Positive matches with MSD clients ¹⁶	30,558
Benefits		
2020/21		2021/22
12,224	Notices of adverse action sent, ¹⁷ either prior to suspension ('prior notice') or at time of suspension ('immediate')	24,454
301	Immediate suspension of benefit where debt established ¹⁸	578
2,452	Immediate suspension of benefit where no debt established ¹⁹	
838	Suspension of benefit following prior notice that resulted in debt ²⁰	4,614
792	Suspension of benefit following prior notice that resulted in no debt ²¹	4,110
10	Challenges received ²²	11
10	Challenges upheld	11
\$1,233,624	Total debt established as a result of information shared under the AISA	\$5,033,380
	Actions taken to recover debt owed by former clients who arrive back in New Zealand	
73	Notices of adverse action sent	95
0	Challenges received	0
0	Challenges upheld	0
4	Debtors under arrangement to pay	5
\$36,581	Balance owed under arrangement	\$28,893
\$453	Total debt recovered	\$2,590

15 This represents the number of travel movement records shared. Each time someone goes through Customs represents one record. If someone travels overseas twice, passing through Customs four times during the period, this is four records.

16 Clients may be included in this count multiple times depending on their movements and the type of payment they receive.

17 A client can potentially receive up to three adverse action letters in relation to one suspension i.e.: for suspension of New Zealand Superannuation, a client may be sent a warning letter, a suspension letter and a debt letter.

18 There are a small number of suspensions classified as following prior notice which were suspended immediately. We currently can’t separate these suspensions.

19 Ibid

20 Ibid

21 Ibid

22 A challenge process is available to remedy cases that may be mismatched each year. This year the majority of discrepancies in matches related to a different date of birth or name(s). The challenges represent less than 1 percent of the overall match programme.

Effectiveness of information-sharing under the agreement

The ongoing impacts of COVID-19 mean that we are still unable to fully assess the effectiveness of this AISA. While travel (and therefore travel movement records shared) has increased compared to 2020/21, there are still many restrictions, so travel remains significantly down on previous years. During 2021/22, 151.4 percent more travel movement records were shared than in the previous year, however this was 85.4 percent fewer compared with 2019/20. In 2021/22 there were 39.7 percent more matches than last year, but 55.9 percent fewer than 2019/20.

Number of complaints

One complaint was received in 2021/22 about an alleged interference with privacy under the agreement. Following an investigation this was determined to be a low level privacy breach due to staff error (2020/21: no complaints).

Assurance

The next assurance review to assess our operation of the AISA is due in 2022/23 under the terms of the AISA. Remediations raised in our assurance review in 2020/21 are being tracked to completion.

During the year, NZ Customs did not conduct any audit on the management and processes around MSD accessing their system to verify arrivals and departures information under certain circumstances. This was due to the lower numbers of people travelling internationally and the ongoing impacts of COVID-19.

Amendments to the AISA

There have been no amendments to the AISA since the last report.

Appendix 4:

Technology and asset management

2020/21 Actual Standard	Measure	Indicator	2021/22 Approved Standard	2021/22 Actual Standard (m2)
Property assets				
	Work-point density (area per work point [m²]):	Utilisation		
25.1	• Client-facing service sites ²³		<28	24.8m²/FTE
10.9	• Regional/National Offices ²⁴		<15	11.1m²/FTE
83%	Proportion of leased commercial premises at a moderate or better condition	Condition	>82%	83%
82%	Proportion of commercial leased premises with moderate or better site suitability	Functionality	>82%	83%
Technology assets				
Intangible - internally generated software				
99.85%	Proportion of time core applications are available for use ²⁵	Availability	>99%	99.8%
81.98%	Proportion of available CMS licences allocated to staff ²⁶	Utilisation	>90%	89.7%
92.9%	Proportion of Tier 1 software applications that are in support ²⁷	Condition	>80%	76.0%
Computer equipment				
99.99%	Proportion of time the vendor-managed network is available for use	Availability	>99.96%	100%
68.77%	Proportion of IT disk storage capacity utilised	Utilisation	<85%	72.6%

23 This measure includes both leased and owned MSD sites that have the primary purpose of delivering face-to-face services to clients. Targets are based on historic averages and take into account proposed changes to operating models.

24 This measure includes both leased and owned MSD offices for functions that support the delivery of services direct to clients. Performance under this measure is managed using the utilisation standard as set by the Government Property Group, which indicates that office space utilisation should be between 12m² and 16m² per FTE.

25 Core applications are defined as systems, the criticality of which is such that any issue that occurs is resolved as a high priority. The result reflects availability of applications during core operational hours (7.30am–7.30pm Mondays to Fridays and 8am–2pm Saturdays).

26 CMS is our key client case management system. This measure shows that available (purchased) licences are being efficiently utilised.

27 This measure is a proxy of the condition of Tier 1 software applications, as the support provided through regular upgrades, defect and security fixes is vital to enabling software applications to function correctly and securely. Remaining in support is also vital to ensure that applications remain fit for purpose. Tier 1 applications are those that are critical for the support of our services.

Appendix 5:

MSD contracted services that deliver services to victims (and others as appropriate)

MSD is obliged under Section 50A(1)(b) of the Victim’s Rights Act 2002 (“the Act”) to report statistical information about the number and type of complaints from victims received under section 49 of the Act, and the disposition of those complaints.

MSD has not, to its knowledge, received any complaints from victims in 2021/2022 of the type specified under Section 49 of the Act.

Under Section 50A(1)(a) of the Act MSD is required to provide a summary of services provided by MSD to victims. The only services MSD provides directly for victims for the purpose of assisting them as victims are:

- **Are you OK**, a website that provides victims/survivors of family violence, and people supporting them, with information on family violence and how to access support around Aotearoa New Zealand.
- the **Family Violence Intervention Programme**, which trains case managers to identify and respond appropriately to people who are living in or leaving violent family situations, and has Family Violence Co-ordinators in each region to provide support to case managers and liaise with local support services.

Otherwise, MSD does not directly provide services to victims for the purpose of assisting them as victims, rather MSD is one of many funders of third-party non-government organisations which provide such services.

The table below lists services provided by third party non-government organisations which receive funding from MSD, to provide services to victims that could assist them as victims:

Court Support Services ²⁸	Court Support Service provides victims/survivors with additional support when they are progressing through the criminal justice process, including before, during and after. This support includes provision of psychosocial support and starts once a charge is filed by the Police.
Elder Abuse Response Services ²⁹	Elder Abuse Response Services (EARS) providers spend a lot of time doing welfare checks, general enquiries, check-ins, connecting older people and advocating to other services. From our drop-in sessions we learnt that generally, EARS providers do not provide crisis support, and rely on the Police, St. John Ambulance service, etc. for this acute support.
Family Violence Response Services	Direct services to families/whānau that restore safety and wellbeing/mauri ora where family violence has or is at risk of occurring.

28 See <https://www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/service-guidelines/court-support-service-guidelines.pdf>

29 See <https://www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/service-guidelines/elder-abuse-response-services.pdf>

Helplines ³⁰	<p>The Family Violence Information Line provides information, support and signposts/refers callers on to other response services as appropriate.</p> <p>The 0800 EA NOT OK helpline provides information, support and signposts/refers callers on to other Elder Abuse services.</p> <p>Safe to Talk - Kōrero mai ka ora provides specialist sexual harm information and support for victims/survivors of sexual violence. It includes text/SMS, email, online chat and phone services 24/7 and is a free, confidential service for anyone who has experienced sexual harm.</p>
Integrated Community-led Responses	Through Integrated Community-led Responses NGOs to participate in Safety Assessment Meetings and provide support to people affected by family violence as a result of these discussions.
Services for Male Survivors of Sexual Abuse ³¹	This service provides support to enable long term recovery to male survivors of sexual abuse through peer support services for adult male victims/survivors and case planning and information to male victims/survivors and their whānau and support network.
Sexual Harm Crisis Support Services ³²	This service provides crisis support to victims/survivors through emergency face-to-face sessions (including crisis counselling), support and advocacy (including call out) and crisis social work support. This form of support is to meet the immediate psychosocial needs of clients, so the psychological impacts of sexual violence is mitigated.
Sexual Violence Kaupapa Māori Services	This service is still in the service design stage. We are currently testing service guidelines that will clearly define what is a kaupapa Māori/tangata whenua mahi tūkino service. A small number of providers are funded to deliver kaupapa Māori sexual violence support services in line with the service guidelines being tested.
Sexual Violence Long-Term Recovery	This service includes provision of psychosocial support to victims/survivors post-crisis events, supporting whanau/family and social work.
Whanau Resilience ³³	This service provides long-term healing and recovery for whanau affected by violence.
Women’s Refuge	This is a nation-wide service which provides safe houses, advocacy and support for women and children experiencing violence. This service type currently includes delivery of a 12-month pilot of child advocates. This pilot service aims to provide advocacy services for children experiencing/impacted by family violence (both through women’s refuges and the community).

³⁰ See <https://www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/service-guidelines/national-sexual-violence-helpline-service-specifications.pdf>

³¹ See <https://www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/service-guidelines/male-survivors-of-sexual-abuse-service-guidelines.pdf>

³² See <https://www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/service-guidelines/sexual-harm-crisis-support-service-guidelines.pdf>

³³ See <https://www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/service-guidelines/whanau-resilience-service-guidelines.pdf>

Appendix 6:

Glossary of terms

Term	Definition
Abatement	Reduction in benefit payments when income is earned above a threshold figure.
Adverse/crisis event	An event that causes hardship and may require financial and other assistance programmes. Recent examples include the Canterbury and Kaikōura earthquakes (2010, 2011 and 2016), the terror attack on Christchurch mosques (2019), the eruption of Whakaari/White Island (2019) and several extreme weather events.
Appropriation	A Parliamentary authorisation for the Government or an Office of Parliament to incur expenses or capital expenditure. Expenditure can only be incurred under an appropriation or other statutory authority. See: https://privacy.org.nz/privacy-for-agencies/information-sharing/
Benefit or related expense	An appropriation used by the Crown to transfer resources (usually to individuals) when it does not expect anything directly in return.
Budget	The annual statement of the Government’s spending intentions for the forthcoming financial year. Presented to Parliament by the Minister of Finance (usually in May). Parliament approves the Budget through a series of Appropriation Acts.
Cabinet	The group of Ministers who make the Government’s significant decisions. Cabinet is chaired by the Prime Minister.
Check what you might get	MSD’s online guide to services available to individuals and families. See https://check.msd.govt.nz/
Client-centric	Putting our clients at the centre of everything we do. This gives us a better approach to designing new and existing services, and guides us on where to focus effort and resources to help New Zealanders be safe, strong and independent.
Community partners	Organisations, sectors and industries that MSD works with to ensure that programmes, services and products are available to support New Zealanders.
Contact centre	Centres where MSD enquiries teams respond to customer requests for information and assistance by phone.
Crown	All Ministers and all departments, the state as a whole.
Debt	A debt may be incurred by a client whose benefit is overpaid because a change in circumstances reduced their entitlement, or they received recoverable assistance or an advance payment of benefit.
Departmental appropriation	An appropriation used by the Crown for the operation of a department or agency.
Economic forecasts	A regular series of statements issued by the Treasury on the expected future performance of the economy.
Emergency Housing	Emergency Housing is provided to eligible, homeless households while we assess their homelessness and help them move on. It often consists of accommodation in a hotel or homeless hostel.
Essential service	A business or service that is permitted by the Government to continue operating at all COVID-19 alert levels.

Term	Definition
Estimates of Appropriations	Detailed documents in which the Government sets out its spending plans for the coming financial year. As part of the Budget, the Estimates are presented to Parliament, which then approves them through an Appropriation Act.
Fono	Meeting (Samoan language).
Fraud	Fraud occurs when someone knowingly receives benefit payments that they are not entitled to. An allegation of fraud may lead to an investigation and, if proven, prosecution.
Frontline staff	MSD staff who work with clients directly in service or contact centres face-to-face, by phone or digitally.
Heartbeat survey	Regular surveys seeking feedback from clients.
Heartland Services	A network that provides access to government services and information in small communities, and people with the opportunity to meet face-to-face with government agency representatives.
Historical abuse	Abuse suffered by children and young people while in the care of the state before 1 April 2017.
Integrated Data Infrastructure	A large research database that holds microdata about people and households. Hosted by Statistics NZ. See www.stats.govt.nz/integrated-data/integrated-data-infrastructure/
Joint Venture on Family Violence and Sexual Violence	A group established by the Government in 2018 to bring government agencies together to work in new ways to reduce family violence, sexual violence and violence within whānau. Its role is to lead, integrate and provide support for everyone involved, to ensure an effective, whole-of-government response to family violence and sexual violence. Hosted by the Ministry of Justice.
Minister	A single appropriation made up of multiple categories (which can be different types of expenditure, including output expenses, other expenses and non-departmental capital expenditure) that all contribute to the same overarching purpose. Multi-category appropriations allow greater flexibility.
MyMSD	An online service where MSD clients can apply for assistance and manage their information online.
New Zealand Sign Language	The language of New Zealand’s Deaf community, enshrined by the New Zealand Sign Language Act 2006 as an official language of this country.
Non-departmental appropriation	An appropriation used by the Crown for the funding of other organisations to provide services and achieve outcomes.
Oranga Tamariki system	Services provided to children and young people under the Oranga Tamariki Act 1989 at any stage from the point of notification until the cessation of post-care transition.
People capability	The skills, knowledge, experience and attributes required to achieve our outcomes.
Place-based initiative	Long-term commitments to specific jurisdictions (cities, towns or neighbourhoods) that strive to achieve better results for disadvantaged children, youth, families and seniors.
Public Service	The New Zealand Public Service is defined in section 10 of the New Zealand Public Service Act 2020 as including departments, departmental agencies, interdepartmental executive boards, interdepartmental ventures and Crown agents.

Term	Definition
Service centre	An office where clients can meet MSD staff face-to-face to access information and assistance.
Social cohesion	The creation of a safer, more inclusive society. Social cohesion work in New Zealand is part of the wider response to recommendations from the Royal Commission of Inquiry into the terrorist attack on Christchurch masjidain (mosques), and builds on existing government initiatives.
Social development	Working with and through others to take a holistic approach to meeting people’s needs, and intervening early to get the best solutions to improve people’s outcomes.
Social sector	The group of agencies that work towards achieving improved social outcomes for New Zealanders. They include MSD and the Ministries of Education, Health and Justice.
Social services accreditation	The provision to government and communities of independent assurance that social service providers can deliver safe, quality services to New Zealanders.
Social unemployment insurance	A scheme that would allow workers who lose their jobs to receive a percentage of their previous income for a limited time, following which they could apply for whatever social assistance is applicable if they still need support.
StudyLink	The MSD services that provide loans and allowances to students.
Supplementary Estimates of Appropriations	Detailed documents in which the Government sets out amendments to its spending plans for the current financial year. As part of the Budget for the following year, the Supplementary Estimates are presented to Parliament, which then approves them through an Appropriation Act.
Third-party providers	Organisations that receive funding from MSD to provide social services to the community.
Transitional housing	Temporary accommodation and support for individuals or families who are in urgent need of housing. It provides warm, dry, short-term housing for people and families who have an urgent need for a place to stay.
Welfare Overhaul	The Government’s programme to ensure access to entitlements, remove excessive sanctions and review Working for Families so that everyone has a standard of living and income that enables them to live in dignity and participate in their communities, and lifts children and their families out of poverty.
Welfare system	The system of government assistance that provides income and other support services to a range of New Zealanders who find themselves in difficult situations.
Work and Income	An MSD service that helps New Zealanders financially who are on a low income or not working, supports them into work, and helps them with housing.
Youth development programmes	A programme funded partly or wholly by the Ministry of Youth Development that encourages and supports young people aged between 12 and 24 years to develop and use knowledge, skills and experiences to participate confidently in their communities.

Appendix 7

Emissions Profile

MSD Emissions Profile 2021/22*

Scope	Source	Emissions (tCO2e)
1	Petrol regular	533.3
	R-410A	120.7
	Natural Gas distributed commercial	36.4
	HCFC-22	22.4
	Diesel	13.3
	Petrol premium	7.9
	Scope 1 total	758.3
2	Electricity	1641.1
	Scope 2 total	1641.1
3	Domestic air travel	1079.1
	Pre-calculated emissions from purchased goods and services (includes courier, postage, and external printing)	785.9
	Working from home	387.6
	Waste to landfill	354.2
	Electricity distributed T&D losses	149.1
	Domestic accommodation	79.7
	Paper use	59.1
	Rental Cars	56.7
	Taxi	31.1
	Pre-verified Freight	26.2
	Mileage claims	26.0

Wastewater	0.9
Natural Gas distributed T&D losses	2.2
Water supply	0.9
Scope 3 total	3051.5
Total emissions for 2021/22	5450.9

* These figures have been audited by Toitū and are provisional pending Toitū certification (expected mid-November 2022).

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Office for Disability Issues:

www.odi.govt.nz

Ministry of Youth Development:

www.myd.govt.nz



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To provide feedback, visit:

<https://www.msd.govt.nz/about-msd-and-our-work/contact-us/index.html>

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