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MINISTRY OF SOCIAL DEVELOPMENT
TE MANATŪ WHAKAHIATO ORA

Annual Report
Pūrongo ā-Tau

2024

For the year ended 30 June 2024

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

This Annual Report explains how we helped New Zealanders in the year from 1 July 2023 to 30 June 2024. 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.

This Annual Report includes our service performance results and full financial statements for the year ended 30 June 2024. Some headings and sections in this Annual Report have been translated into te reo Māori by the Department of Internal Affairs' certified Translation Service.

This Annual Report also contains the Annual Report of Whaikaha – Ministry of Disabled People as a departmental agency of MSD. It is included in this document for the purposes of presentation to Parliament and publication.

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Ministry of Social Development
PO Box 1556
Wellington 6140
New Zealand

Telephone: +64 4 916 3300
Email: info@msd.govt.nz
Web: msd.govt.nz

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Te Pūrongo ā-Tau 2023/24 a Whaikaha

Chief Executive's foreword
Kupu Takamua a Te Tumu Whakarae

Tēnā koutou katoa

We want people to live full, meaningful lives in vibrant, resilient communities. This is at the heart of what we do at the Ministry of Social Development (MSD) and you can see it reflected in our actions and our purpose:

Manaaki tangata, Manaaki whānau

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

As I look back on my sixth year as Chief Executive, I am proud of how much we have achieved, with the support of our partners. Our work requires a combined effort from MSD and those outside MSD who support our work – providers, employers, strategic partners, industry and community groups, non-governmental organisations, hāpu and iwi, Pacific peoples and our public service colleagues.

We interact with more than a million New Zealanders a year, including job seekers, young people, caregivers and people unable to work due to a health condition, injury or disability, those in hardship or needing somewhere to stay, people affected by emergencies such as the June 2024 floods in Hawke's Bay and Te Tairāwhiti Gisborne, communities needing food security, those impacted by family violence or sexual violence, and more than 900,000 seniors who receive Superannuation.

Our 2024 Annual Report sets out what MSD is doing to deliver the Government's priorities. We have been set clear targets by the Government to deliver by 2030:

- reducing the number of people on Jobseeker Support by 50,000
- reducing the number of households in emergency housing by 75 percent (jointly with the Ministry of Housing and Urban Development).

These targets not only provide a focus for us – they are something our partners and communities can get behind too.

For the Jobseeker Support target, our case managers' focus is on job seekers, young people, people with children and those who have been on a benefit more than a year. We are connecting more regularly with clients and making sure people know their obligations when on a benefit, such as letting us know if their situation changes and looking for work. We have also been preparing for the introduction of a new traffic light system that will make it easier for clients to understand if they are meeting their obligations, and how to get back on track if they are not.

Challenging economic conditions, the increased cost of living, housing affordability issues, along with rising unemployment have led to an increase in the number of people coming to MSD for help. We are adept at moving our people at pace to the areas of highest need.

Emergency housing numbers are coming down. This is the result of a concerted effort in this space, including more housing supply, introducing a priority one fast track for whānau with children in emergency housing for 12 weeks or longer and new Emergency Housing Supplier Standards.

Love Better, our violence prevention campaign aimed at young people, was a finalist for a 2024 Spirit of Service Award and won two media industry awards. While these endorsements matter, what is more important is the strong engagement young people have had on this tough topic.

In July 2024, we welcomed the Royal Commission's final report into abuse in care. Over the last year, our Historic Claims team has worked with over 1,000 survivors to address their claims.

MSD's Te Pae Tawhiti Transformation Programme made significant progress this year, with development underway on a new partnering system, digital employment service and service experience platform.

Like all government agencies, fiscal sustainability has been a priority for MSD and we have had to make some difficult decisions. Our priority has been to make savings where we can without impacting our frontline services.

I'd like to thank everyone for their contribution this year.

As you look through this Annual Report you'll see a lot of figures, facts and stats. What I hope everyone who reads this takes away is that behind these numbers are people, often vulnerable people, who matter to us, to their families and to their communities.

Whaikaha – Ministry of Disabled People

This Annual Report also contains the Annual Report of Whaikaha – Ministry of Disabled People as a departmental agency of MSD. It is included in this document for the purposes of presentation to Parliament and publication.

At the time of preparing these Annual Reports, the Government announced changes to the disability support system, with Disability Support Services being set up as a separate business unit within MSD. For disabled people and their carers who receive Disability Support Services, their point of contact will continue to be their providers, just as it is now.

These changes have not impacted the Whaikaha and MSD Annual Reports, as the announcement was made outside the reporting period.

Debbie Power | Chief Executive | Ministry of Social Development

Tēnā koutou katoa

Ko te hiahia kia tōnui, kia whai tikanga te oranga o te tangata ki ngā hapori ngangahau, manawaroa hoki. Ko te manawa tēnei o ā mātou mahi i Te Manatū Whakahiato Ora (MSD), otirā ka kitea hoki e whakaatahia ana i roto i ā mātou mahi me tō mātou kaupapa:

Manaaki tangata, Manaaki whānau

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

I a au e titiro whakamuri ana ki taku tau tuaono hei Tumu Whakarae, e whakahī ana ahau ki te nui o ngā whakatutukitanga, me te tautoko o ō mātou hoa rangapū. Ko te herenga i runga i ā mātou mahi, kia ngātahi te hoe a MSD me te hunga i waho o MSD e tautoko ana i ā mātou mahi – ngā kaiwhakarato, ngā kaituku mahi, ngā hoa rautaki, ngā ahumahi me ngā rōpū hapori, ngā rōpū kāwanatanga-kore, ngā hapū, nga iwi, ngā iwi o Te Moana-nui-a-Kiwa me ō mātou hoa ratonga tūmatanui.

Ka pāhekoheko mātou ki te neke atu i te kotahi miriona tāngata o Aotearoa i te tau, tae atu ki te hunga kimi mahi, ngā rangatahi, ngā kaitiaki me te hunga kāore e āhei ki te mahi nā te mate hauora, te wharanga, te hauātanga rānei, te hunga pōhara, te hunga kimi wāhi noho, te hunga i pā kinohia e ngā ohotata pēnei i ngā waipuke o te Hune 2024 i Te Matau-a-Māui me Te Tairāwhiti, ngā hapori kei te hiahia i te haumaru kai, te hunga i pā kinohia e te riri ā-whare, te taitōkai rānei, otirā me te neke atu i te 900,000 o ngā kaumātua ka whiwhi i te Penihana.

Ka whakatakoto ā mātou Pūrongo a-Tau 2024 i ngā mahi a MSD ki te kawe i ngā whakaarotau a te Kāwanatanga. Ka tau ētahi whāinga pūahoaho e te Kāwanatanga mā mātou hei kawe ā te 2030:

- te whakaiti i te maha o te hunga kei te Jobseeker Support mā te 50,000
- te whakaiti i te nui o ngā whānau kei ngā whare ohotata mā te 75 ōrau (ka mahi tahi me Te Manatū Whare me te Whanaketanga Tāone).

Ka noho ēnei whāinga hei aronga mō mātou – otirā he mea hoki hei tautoko mā ō mātou hoa rangapū me ngā hapori.

Mō te whāinga o Jobseeker Support, ko te aronga o ngā kaiwhakahaere kēhi ko ngā kairapu mahi, te rangatahi, te hunga whai tamariki me te hunga kua noho ki te penihana, neke atu i te kotahi tau. Kua auau ake tā mātou tūhono ki ngā kiritaki me te whakarite kia mōhio ngā tāngata ki ō rātou takohanga i te wā kei runga penihana, pēnei i te whakamōhio mai ina panoni te āhuatanga noho me te rapu mahi. Kua tīmata hoki te whakarite mō te whakaurunga mai o te pūnaha rama toru hou e māmā ake ai te mārama a ngā kiritaki mēnā e tutuki ana ngā takohanga, me te hoki anō ai ki te ara tika mēnā i kotiti.

Nā ngā āhuatanga ōhanga uaua, te pikinga o ngā utu noho, me ngā take utu whare, tatū noa ki te pikinga o te kore mahi, kua piki te maha o te hunga e kuhu mai ana ki MSD ki te rapu āwhina. He tautōhito mātou ki te nuku wawe i ā mātou kaimahi ki ngā wāhi matea nui.

Kei te heke haere ngā tatauranga whare ohotata. Ko te hua tēnei o te mahi heipū i tēnei wāhanga, tae atu ki te whakarahi ake i ngā whare, te whakauru mai i tētahi tukanga huarahi wawe mā ngā whānau whai tamariki kei ngā whare ohotata mō te 12 wiki neke atu, me ngā Paerewa Whakarato Whare Ohotata hou.

E aro ana tā mātou hōtaka tauārai haupatu a Love Better, ki te hunga rangatahi, otirā i whai wāhi ki ngā whiringa toa o te Tohu Spirit of Service 2024, ā, i whakawhiwhia ki ngā tohu o te ahumahi pāpāho e rua. Ahakoa e whai tikanga tonu ana ēnei tohu whakanui, ko te mea hira rawa ko te whai wāhi kaha ki te hunga rangatahi ki tēnei take taumaha.

I te Hūrae 2024, i pōhiritia e mātou te pūrongo whakamutunga a te Kōmihana Roera ki te tūkinotanga i te wā o te tiakanga. I te tau ka hori, i mahi tahi tā mātou rōpū Kerēme Tawhito me ngā mōrehu 1,000 neke atu, ki te whakatau i ā rātou kerēme.

He nui ngā kokenga a te hōtaka whakaumu a MSD a Te Pae Tawhiti i tēnei tau nā te whanaketanga o te pūnaha rangapū hou, te ratonga whiwhi mahi matihiko me te pae wheako ratonga hou.

Pērā ki ngā tari kāwanatanga katoa, he mahi mātāmua te toitū ahumoni mā MSD, ā, i puta ētahi whakatau uaua. Ko tā mātou whakaarotau he penapena pūtea i ngā wāhi e taea ana, me te kore anō e whai pānga ki ā mātou ratonga aroākapa.

Kei te hiahia au ki te mihi ki te hunga katoa i whai wāhi mai i tēnei tau.

I a koe e titiro ana ki te Pūrongo ā-Tau he nui ngā tatauranga me ngā meka ka kitea e koe. Ko taku wawata mā te hunga ka pānui i tēnei, ko te hunga kei muri i ēnei tatauranga he tangata whakaraerae, te hunga whai take ki a mātou, ki ō rātou whānau me ō rātou hapori.

Whaikaha – Te Manatū Hunga Hauā

Kei roto hoki i tēnei Pūrongo ā-Tau te Pūrongo ā-tau a Whaikaha – Ministry of Disabled People, hei tari i raro i a MSD. Ka whakauru ki tēnei tuhinga hei whakaaturanga ki te Pāremata, ā, hei whakaputanga hoki.

I te wā o te whakariterite i ēnei Pūrongo e rua, i pānuitia e te Kāwanatanga ngā panoni ki te pūnaha tautoko whaikaha, otirā i whakaritea ngā Ratonga Tautoko Hauātanga hei peka pakihi motuhake i roto i a MSD. Mō te hunga whaikaha me ō rātou kaitiaki ka whakamahi i ngā Ratonga Tautoko Hauātanga, ka noho tonu ko ngā kaiwhakarato te whakapānga tuatahi, pēnei i te wā tonu nei.

Kāore he pānga o ēnei panoni ki ngā Pūrongo ā-Tau a Whaikaha me MSD, i te mea i waho kē tēnei pānuitanga i te wā tuku pūrongo.

Debbie Power | Tumu Whakarae | Te Manatū Whakahiato Ora

Key stats for 2023/24

Ngā tatauranga matua o te 2023/24

Almost every New Zealander, at some point in their lives, will receive support from MSD

At the end of June 2024

1,378,800

New Zealanders were receiving income support

As at 30 June 2024

380,900

people were receiving a main benefit

As at 30 June 2024

912,400

people were receiving New Zealand Superannuation

In 2023/24, MSD answered

3,893,500

calls

In 2023/24, MSD processed

242,600

Student Loan and Student Allowance applications

In 2023/24, MSD supported

71,700

people into work and off a benefit

In 2023/24, MSD funded community support services accessed by

136,200

people

As at 30 June 2024, MSD provided support to people to get into housing, which contributed to

1,900

fewer people on the Public Housing Register than the year before

As at 30 June 2024

196,400

people were receiving Jobseeker Support

As at 30 June 2024

2,100

households were in Emergency Housing

About us
Mō mātou

MSD is the lead agency for providing public employment services to New Zealanders, supporting people to obtain and maintain employment. We are also the lead agency for managing and delivering New Zealand's welfare system on behalf of the Government, contributing to positive outcomes for people today and into the future. Helping people, whānau, families and communities to be safe, strong and independent is at the centre of what we do.

We develop and implement policy, measure the progress of social outcomes for New Zealanders and support the Government to set priorities across the social sector.

We deliver social services and assistance to young people, working-age people, disabled people, older people, whānau, families and communities.

As an agency of the Crown, we meet our obligations under the principles of the Treaty of Waitangi. We are committed to supporting and enabling Māori, whānau, hapū, iwi and communities to realise their own potential and aspirations.

Our work is not done alone. We work closely with many organisations and community groups who have the right connections and expertise to make a lasting difference in people's lives. We also take a leadership role in co-ordinating actions across social sector agencies in some circumstances.

Together we aim to make a positive impact on the lives of New Zealanders.

What we do

We are responsible for administering Vote Social Development. The vast majority of what we spend goes directly to clients and those providing services to them.

MSD helps New Zealanders by fulfilling a broad range of responsibilities and functions, including:

- providing employment services and support
- providing income support, including superannuation
- designing, funding and delivering community services with others
- providing public housing assistance and services
- administering student allowances and student loans
- advising on child wellbeing and poverty reduction
- being the primary provider of social policy advice to the Government
- hosting Whaikaha – Ministry of Disabled People
- monitoring three Crown entities and providing advice to the responsible Minister
- ensuring the legislation we administer is effective and fit for purpose
- working with other agencies and the wider social sector to support government priorities and improve the social outcomes of all New Zealanders
- supporting the National Emergency Management Agency and Civil Defence Emergency Management Groups to respond to emergencies, including delivering welfare services to those affected.

We are responsible to a number of Ministers, including the:

- Minister and Associate Minister for Social Development and Employment
- Minister for Disability Issues
- Minister for the Community and Voluntary Sector
- Minister and Associate Minister of Housing
- Minister for Seniors
- Minister for Youth
- Minister for the Prevention of Family and Sexual Violence.

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. These may be amended in the Vote Social Development Supplementary Estimates of Appropriations during the year.

MSD also receives funding from some government agencies to provide accreditation services through Te Kāhui Kāhu and agreed corporate services. Full details of spending in 2023/24 can be found in the financial statements, commencing on page 146.

MSD has a complex range of responsibilities. In addition to our core functions, MSD is responsible for a range of specialist business units and administrative relationships with other agencies, including those described in Figure 1.

Figure 1: MSD's other distinctive functions and administrative relationships

Ministry of Social Development

Other business units within MSD with distinctive functions

- **Office for Seniors**
- **Ministry of Youth Development**
- **Historic Claims**
- **Te Kāhui Kāhu – Social Services Accreditation**
- **Child Wellbeing and Poverty Reduction Group**

Administrative relationships MSD has with other agencies

Supporting and advising on appointments to a board and three statutory tribunals

- **South Auckland Social Wellbeing Board**
- **Social Security Appeal Authority**
- **Social Workers Complaints and Disciplinary Tribunal**
- **Student Allowance Appeal Authority**

Monitoring three Crown entities and providing advice to the responsible Minister

- **Children and Young People's Commission**
- **Peke Waihanga** (New Zealand Artificial Limb Service)
- **Social Workers Registration Board**

Providing an agreed range of services◆ to other agencies

- **Social Wellbeing Agency** (Social Investment Agency from 1 July 2024)
- **Children and Young People's Commission**
- **Ministry of Housing and Urban Development**
- **Oranga Tamariki**

Hosting Whaikaha – Ministry of Disabled People▼

◆ For example, finance, IT, HR, actuarial, information management and privacy.

▼ Whaikaha is a departmental agency hosted by MSD. As part of this arrangement MSD provides some corporate services to Whaikaha.

Our strategic direction
Tō mātou ahunga rautaki

Our purpose, outcomes and strategies are what we want to achieve and are described in Figure 2.

Delivering to our strategies

Te Pae Tawhiti – Our Future is MSD's foundational strategy, describing what we need to do to deliver to our three outcomes.

Te Pae Tata and Pacific Prosperity are key enabling strategies, guiding MSD on what needs to be done to work together more effectively to improve social and wellbeing outcomes for Māori and Pacific peoples.

While progressing towards Te Pae Tawhiti – Our Future, MSD has continued to deliver to Te Pae Tata and Pacific Prosperity through our key areas of work (employment, housing, income support and communities) and Te Pae Tawhiti Transformation Programme.

We have strengthened collaborative relationships across MSD, with other government agencies, iwi, Māori and communities to identify and improve social and wellbeing outcomes for Māori and Pacific peoples.

Examples of our work include supporting the Crown as a Treaty partner, delivering to cross-government strategies such as Te Aorerekura – the National Strategy to Eliminate Family Violence and Sexual Violence, and developing regional service models to support whānau Māori and Pacific people in hardship.

For more information about how we are delivering to our outcomes and strategies across our key areas of work, see pages 19-33.

Figure 2: Our strategic framework

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.

Outcomes

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

Strategic direction and shifts

Te Pae Tawhiti – Our Future 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.

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

New Zealanders get the support they require

New Zealanders are resilient and live in inclusive and supportive communities

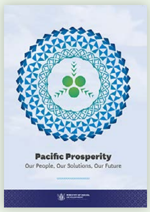
New Zealanders participate positively in society and reach their potential

Mana manaaki
A positive experience every time

Kia takatū tātou
Supporting long-term social and economic development

Kotahitanga
Partnering for greater impact

Te Pae Tata
– Te Rautaki Māori me te Mahere Mahi | Our Māori Strategy and Action Plan



Pacific Prosperity
– Our People, Our Solutions, Our Future | Our Pacific Strategy and Action Plan

Our organisational values

Ō mātou uara

Our four values represent and underpin who we are and what we stand for (see Figure 3). 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.

Figure 3: Our organisational 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.

Measuring our performance
Te ine i ā mātou mahi

Our outcomes framework

Our outcomes framework (Figure 4) shows how we measure progress towards our strategic direction Te Pae Tawhiti – Our Future.

The visual format of the raranga/weave demonstrates how our three strategic shifts contribute to our three outcomes and how we measure this progress using the 10 impact statements.

Our impact statements outline our medium-term focus areas as set out in our Statement of Intent 2022–2026.

Figure 4: MSD's outcomes framework (raranga/weave)

Our three strategic shifts	Our three outcomes: 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
 **Mana manaaki** A positive experience every time	Improve awareness of and access to support Improve effectiveness of support	Improve how we connect and partner	
 **Kotahitanga** Partnering for greater impact	Improve support to people, whānau and families in hardship or insecure housing	Improve the safety and strength of people, whānau, families and communities	Improve sustainable employment outcomes
 **Kia takatū tātou** Supporting long-term social and economic development			Improve people's readiness for work, including through training and education Improve our contribution to business and regional development
	Improve equity of outcomes, particularly for Māori	Improve people's trust and confidence in the welfare system	

We have moved one of our impact statements in the raranga/weave since our last Annual Report. The impact statement ‘Improve effectiveness of support’ has been moved to map against the outcome ‘New Zealanders get the support they require’. Moving this impact statement reflects the alignment between the strategic outcome and the work that MSD delivers towards this impact statement.

Measuring our progress

We monitor our progress against our outcomes framework using a range of key performance indicators (KPIs) and measures.

Our 15 KPIs demonstrate progress towards our 10 impact statements. More details about our KPIs are on pages 72 to 79.

Our Estimates performance measures track our delivery of the initiatives and services we are funded for against specific annual targets. The results of our Estimates performance measures are on pages 80 to 145.

Our work in 2023/24
Ā mātau mahi i te 2023/24

Over the last year, New Zealand has experienced cooling economic conditions, increasing unemployment, a weakening job market, an increasing cost of living and increasing net migration. Treasury is forecasting that unemployment will continue to rise to a peak by the end of 2024 as demand for labour continues to reduce.

This section describes how we have worked towards achieving each of our three outcomes in 2023/24. These outcomes are:

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

This section also outlines our work to deliver to the Government's priorities, including targets and fiscal sustainability.

New Zealanders participate positively in society and reach their potential

Employment

Measuring our performance

On page 17, we describe our outcomes framework and impact statements.

The following impact statements describe the outcomes we are aiming to achieve in employment:

- Improve sustainable employment outcomes
- Improve people's readiness for work, including through training and education
- Improve our contribution to business and regional development.

The following KPIs measure progress towards those impact statements:

- Sustainable exits into employment
- Average future years on a main benefit
- Effective employment programmes
- Benefit exits following work-readiness intervention.

We also have two overarching impact statements, which we deliver to across all our work. These are:

- Improve equity of outcomes, particularly for Māori
- Improve people's trust and confidence in the welfare system.

The following KPIs measure progress towards those impact statements:

- Ethnicity cohort data across our KPIs (Māori and Pacific peoples initially)
- Client trust: Net trust score
- Client experience: Overall service score.

See pages 72 to 79 for more information on how we are performing against our KPIs.

Government Target: Fewer people on the Jobseeker Support benefit

In April 2024, the Government announced nine targets for agencies across the public service to achieve. MSD is the lead agency for Target 5: 'Fewer people on the Jobseeker Support benefit'. This section outlines our work towards achieving this target.

Target (by 2030)	Baseline (December 2023)	As at 30 June 2024	Progress from baseline
140,000 people on the Jobseeker Support benefit	**190,000**	**196,400** (Forecast for June 2024: 190,300)	**+6,400** ✕

Our focus continues to be on getting and keeping New Zealanders working

MSD supports people into jobs and to stay in work. Throughout the year, employment has remained our key focus.

We have changed how we work to reflect the new Government's priorities. To support the Government's Jobseeker Support target, we have created more regular contact points with clients to promote the support we offer and help them understand their obligations to find or prepare for work.

At our Kōrero Mahi – Let's Talk Work seminars, we engage with clients during their first few weeks of receiving Jobseeker Support. At Kōrero Mahi – Work Check-In seminars, we check in with clients who have been receiving Jobseeker Support for six months.

Case management is one of our most effective interventions to help people into employment. We have refreshed our approach to focus on the Minister's priority cohorts, including job seekers, young people, people with children and people who have been receiving a benefit for more than a year.

Our case management work is supported by MSD's Employment Service, which includes services such as Work Brokerage, Employment Coordination, Job Connect, Seminars and Employment Expos.

We are successfully using our employment tools and services to support people, even in the current weaker labour market. Our ability to keep people in work remained steady, even as the number of people receiving Jobseeker Support increased. We measure this by the number of people who do not access a main benefit in the six months after exiting a benefit, after we provide them with a specific type of employment support such as Mana in Mahi or Flexi-wage.

We have improved our information for clients on what their obligations are and how to meet them. We have started design work for the new traffic light system to make it clearer for clients when they are meeting their obligations and when they are not.

As part of the first stage of MSD's Te Pae Tawhiti Transformation Programme, we have begun work to establish a new Digital Employment Service, which will provide improved tools and choices for how people access our employment, training and educational services. This will make it easier for employers to do business with us, improve employers' and jobseekers' ability to connect with each other, while also improving MSD's ability to ensure people meet their obligations.

Other highlights from this year:

- Flexi-wage has helped 7,035 people into jobs by supporting employers to hire people who are at risk of long-term unemployment and need training to meet the entry-level requirements for the job.
- The Early Response – Redeployment Support initiative redeployed 2,010 people and assisted 1,308 businesses that were impacted by significant business closures, helping displaced workers to secure employment without needing to come onto a benefit.

- The Driver Licence Support programme supported 17,748 people, and 85 percent of participants who completed the programme gained their licence – gaining a driver licence can significantly reduce barriers to employment.
- The Māori Trades and Training Fund enrolled 1,832 participants into community-led employment and training programmes and placed 1,185 into employment.
- He Poutama Rangatahi enrolled 3,166 young people and placed 1,146 people into employment, and a further 1,133 into training or education.

Case study – Employment

When Laura walked into MSD, she had a dream job in mind – working in the oral health industry.

Her case manager was able to help make that happen.

Now a Community Dental Assistant, Laura has completed a health cadetship at Hawke's Bay Hospital through Health New Zealand – Hawke's Bay. She shares her story, including future aspirations and what inspires her to succeed.

The eight-week cadetships give job seekers on-the-job training and mentoring toward securing careers in the health sector. The programme is run jointly by Health New Zealand – Te Whatu Ora and MSD.

"I gained the experience that I wanted: I wanted to have a feel of what we do in a dental setup. I've never seen a Māori work within the oral health service as I grew up – never.

"And when I go into a clinic and I'm a dental assistant, I see a lot of whānau looking at me. They're looking at me for safety, for reassurance… It's lovely – I love it."

The next items on her checklist are to attend university, build up her relationship with the community and become a dental therapist.

Picture above shows Community Dental Assistant, Laura, looking happy after completing a health cadetship run by Health New Zealand – Te Whatu Ora and MSD.

New Zealanders get the support they require

Housing

Measuring our performance

On page 17, we describe our outcomes framework and impact statements.

The following impact statement describes the outcome we are aiming to achieve in housing:

- Improve support to people, whānau and families in hardship or insecure housing.

The following KPIs measure progress towards that impact statement:

- Housing support resolution
- Time taken to be placed on the Public Housing Register.

We also have two overarching impact statements, which we deliver to across all our work. These are:

- Improve equity of outcomes, particularly for Māori
- Improve people's trust and confidence in the welfare system.

The following KPIs measure progress towards those impact statements:

- Ethnicity cohort data across our KPIs (Māori and Pacific peoples initially)
- Client trust: Net trust score
- Client experience: Overall service score.

See pages 72 to 79 for more information on how we are performing against our KPIs.

Government Target: Fewer people in emergency housing

In April 2024, the Government announced nine targets for agencies across the public service to achieve. MSD is the co-lead agency, alongside the Ministry of Housing and Urban Development (HUD), for Target 8: 'Fewer people in emergency housing'. This target includes households receiving Emergency Housing Special Needs Grants from MSD and households in Contracted Emergency Housing, which is administered by HUD. This section outlines MSD's work towards achieving this target.

Target (by 2030)	**Baseline** (December 2023)	**As at 30 June 2024**	**Progress from baseline**
75% fewer households	**3,100**	**2,133** (Forecast for June 2024, excluding Contracted Emergency Housing: 2,870)	**-967** ✓

We supported a significant number of households out of emergency housing

The number of households in emergency housing has decreased month on month throughout the year, returning to pre-COVID-19 levels.

Additional investment from Budget 2024 recognised the success of emergency housing support services in helping people to exit emergency housing into sustainable accommodation. We have secured $83.5 million over two years to maintain these services, including Intensive Case Management, Navigators, Housing Brokers and Rental Readiness.

On 30 April 2024, we implemented a priority one fast track on the Public Housing Register for families with children who have been in emergency housing for 12 weeks or longer. The fast track will mean this cohort is prioritised for public housing and their application is made visible for any vacant property that meets their housing requirements. During May and June 2024, 333 families moved from emergency housing into public housing via this fast track.

MSD also implemented the Emergency Housing Supplier Standards to help ensure that basic quality standards are met for our clients (for example, responding to requests for repairs or maintenance within a reasonable timeframe). MSD refers clients first to emergency housing suppliers who have opted into the standards. As at 30 June 2024, 97 percent of occupied suppliers have opted into the standards.

Case study – Housing

MSD Nelson Housing Broker Sarah Moon works every day with New Zealanders who face real challenges in finding housing.

She works to get them into somewhere they can call home. It can be really hard making all the pieces fit, but recently she was delighted to be able to place sole parent Evan and his young family into a stable home in Nelson.

Evan says he's thrilled to find a rental property after having lived in a caravan on the children's grandparents' property, then emergency housing, followed by transitional housing.

It's been a tough road for this family. In early May, Sarah arranged for Evan and his children to view a property being offered by a private landlord in Nelson. "The children treated the house like it was their home from the first minute," says Sarah. "It was such a natural fit for them, and Evan and the children just clicked with the landlord and his family."

Sarah and Evan's MSD case manager, Liam, were able to arrange a Bond Grant, Rent in Advance and Tenancy Cost Cover – some of the housing supports MSD offers – to help him secure the property.

"My children come first in my life," says Evan. "Seeing my babies run around our own house with smiles on their faces is the biggest reward there is and I want to thank everyone who made that possible."

Picture above shows Evan with MSD Housing Broker Sarah, who helped secure a stable home for Evan and his children.

Income support

Measuring our performance

On page 17, we describe our outcomes framework and impact statements.

The following impact statements describe the outcome we are aiming to achieve in income support:

- Improve awareness of and access to support
- Improve effectiveness of support.

The following KPIs measure progress towards those impact statements:

- End-to-end time to receive a financial benefit
- Accurate benefit entitlement assessments
- Average overpayment debt.

We also have two overarching impact statements, which we deliver to across all our work. These are:

- Improve equity of outcomes, particularly for Māori
- Improve people's trust and confidence in the welfare system.

The following KPIs measure progress towards those impact statements:

- Ethnicity cohort data across our KPIs (Māori and Pacific peoples initially)
- Client trust: Net trust score
- Client experience: Overall service score.

See pages 72 to 79 for more information on how we are performing against our KPIs.

The number of people receiving a main benefit is increasing

The number of people receiving a main benefit has continued to increase throughout the year. This was largely driven by an increase in the number of people receiving Jobseeker Support, due to worsening economic conditions.

As at 30 June 2024, approximately 380,900 people were receiving a main benefit. This number has increased by 8.3 percent (around 29,100 people) since June 2023. Main benefit numbers are forecast to continue rising until the start of 2025.

Responding to the challenge of supporting people back into work continues to be our priority.

We are processing benefit applications on time

MSD continues to meet our benefit entitlement application processing timeframes, as measured by the proportion of benefit entitlement assessments completed within five working days of all information being received.

Our end-to-end timeliness KPI measures the average working days taken to pay working-age, main benefit clients from the first date of contact to the first day of payment. This includes both the time taken for clients to provide all the relevant information for an application to be processed, which is largely outside of MSD's control, and the time taken by MSD to process the application.

The end-to-end time taken has increased across all clients and continues to be adversely affected by the time clients take to provide their information.

Through the delivery of MSD's Te Pae Tawhiti Transformation Programme over the coming years, we will enable more clients to self-serve. This will free up frontline staff to focus on more complex cases or people who need more support to get into work.

Our ability to assess benefit entitlements accurately has decreased, but we are focused on lifting performance and getting it right

Our accuracy in assessing student and senior entitlements remains high – and these cohorts make up the majority of the people we provide income support to each year.

Our accuracy in assessing working-age benefit entitlements has continued to decrease. While our accuracy in assessing main benefit entitlements is higher than supplementary benefits, both have decreased this year. There are a few reasons for this: case complexity, staff having to navigate multiple frontline systems and the need to strengthen our internal capability and quality supports.

Making improvements to the way we work to help us improve our accuracy is a priority. In the short term, we have redeployed staff to focus on quality assurance, capability development and technical skills. We have also introduced new or improved training resources for Temporary Additional Support, Accommodation Supplement and Obligations Management. We are particularly focused on supplementary benefits as these are more complicated to assess.

In the longer term, Te Pae Tawhiti Transformation Programme will support frontline staff to more accurately process benefit entitlements by reducing the number of systems they need to navigate to understand a client's eligibility and process an application.

Overpayment debt is increasing

The average amount of overpayment debt per client has been slowly increasing. This means debt is being created faster than clients can pay it off. Weakening economic conditions and the rising cost of living have also impacted clients' ability to repay debt.

MSD is working to ensure that less debt is generated by making it easier for clients to declare income through online channels and helping clients understand their obligations to inform MSD of any changes in their circumstances. This includes improving data-sharing arrangements with other government agencies to ensure we are informed when client information changes.

We have enacted government policy changes

We introduced the Child Support Pass-on on 1 July 2023. As at April 2024, around 34,100 sole parent families were receiving $22.90 extra (on average) a week.

Parents on a sole parent rate of a main benefit now receive child support payments directly from Inland Revenue and these payments are treated as income for benefit purposes by MSD. This ensures that sole parents receiving a benefit are treated consistently with other people receiving benefits and income.

In February 2024, legislation was passed to index main benefits to inflation from 1 April 2024. This replaced the requirement to index main benefits by net average wage growth. Indexing benefits to inflation protects the purchasing power of people who receive benefits and ensures that main benefits keep pace with the cost of living.

On 1 April 2024, main benefits were increased according to the 4.66 percent rise in inflation for the year ending December 2023. Following this, a couple on Jobseeker Support with children receive an extra $56.48 a fortnight and Sole Parent Support recipients receive an extra $44.02 a fortnight.

Case study – Income support

A bright and independent future is ahead for Billie-Jean and Erika, two nursing students at the Western Institute of Technology in Taranaki.

MSD's Training Incentive Allowance has enabled the wāhine to pursue their goals with a Bachelor of Nursing programme by providing financial support during their studies. This means that they can focus on full-time study and buy essential items such as uniforms, laptops and medical kits, as well as pay for travel and childcare costs.

Erika started off on a Supported Living Payment, a payment for disabled people and people with health conditions, due to full-body arthritis. "I love looking after people and I know it's worth it," she says. "I was afraid I wouldn't get a job due to my arthritis but people of all capabilities are able to do this job."

Billie-Jean is a solo mum with a passion to help others. She is keen to continue her study and inspire others to pursue their goals in healthcare. "I want to continue being an advocate for Māori and caring for people in my community."

Picture above shows Erika and Billie-Jean outside the Western Institute of Technology in Taranaki where they are working towards their Bachelor of Nursing.

New Zealanders are resilient and live in inclusive and supportive communities

Communities

Measuring our performance

On page 17, we describe our outcomes framework and impact statements.

The following impact statements describe the outcomes we are aiming to achieve in our communities:

- Improve how we connect and partner
- Improve the safety and strength of people, whānau, families and communities.

The following KPIs measure progress towards those impact statements:

- Partnering for youth development
- Satisfaction with services addressing family violence
- Effectiveness of services addressing sexual violence.

We also have two overarching impact statements, which we deliver to across all our work. These are:

- Improve equity of outcomes, particularly for Māori
- Improve people's trust and confidence in the welfare system.

The following KPIs measure progress towards those impact statements:

- Ethnicity cohort data across our KPIs (Māori and Pacific peoples initially)
- Client trust: Net trust score
- Client experience: Overall service score.

See pages 72 to 79 for more information on how we are performing against our KPIs.

We continued to support recovery from severe weather events

Following Cyclone Gabrielle and the Auckland floods in early 2023, the Social Sector Recovery Plan was developed to guide longer-term investment for social recovery.

The Social Sector Recovery Plan was locally led, regionally enabled and nationally supported. MSD co-ordinated the Social Sector Recovery Plan following Ministerial approval for the shift from the National Emergency Management Agency.

MSD led the Employment Recovery Response, a Budget 2023 initiative. This initiative funds programmes and services to support people affected by the severe weather events to stay in or find employment, or upskill and train. This funding is flexible by design and contributes to reducing the long-term economic, health and wellbeing impacts of extreme weather events.

MSD's regional commissioners facilitated the investment of this funding in regions by supporting decision-making based on local priorities and need.

MSD also supported recovery efforts through the following programmes:

- Food Secure Communities: This programme is transitioning from a focus on emergency response to longer-term resilience. In 2023/24, our providers delivered 594,743 food parcels and our community food hubs distributed 8,137,969 kg of essential food supplies.
- Community Connectors: In 2023/24, time-limited funding was provided to temporarily increase the number of Community Connectors to provide targeted support for individuals and whānau in regions affected by the severe weather events. Connectors support and advocate for those they work with, helping people access a range of services, including welfare and food support, social and mental health services, and employment. In 2023/24, Community Connectors supported 44,916 households.

We are resolving more historic claims than ever

MSD is working hard to help the survivors of abuse and neglect in state care. This year we completed over 1,000 claims assessments, and the vast majority of claimants who opted for a rapid payment received a settlement offer within three months.

New funding was approved in Budget 2024 to assess another 2,000 claims and contribute to the Crown's response to the Royal Commission of Inquiry into Abuse in Care, while Ministers consider options for improving existing redress systems.

We supported people experiencing family violence and sexual violence

MSD continues to support people experiencing family violence and sexual violence. This work supports delivery to Te Aorerekura – the National Strategy to Eliminate Family Violence and Sexual Violence and the Government target of 20,000 fewer people who are victims of an assault, robbery or sexual assault.

This year we:

- continued to run Love Better (an internationally recognised campaign to foster safe, positive and equal relationships among young people). This campaign reached over 95 percent of the target audience in its first 12 months, received various media industry awards and was selected as a finalist in the 2024 Spirit of Service Awards in the Innovation Award | Te Tohu Auaha Hou category
- expanded services for men who use violence through the phased rollout of the Supporting Men's Behaviour Change – Te Huringa ō Te Ao initiative
- continued to provide greater stability in the family violence prevention sector by ensuring that more providers receive long-term, sustainable and transparent funding
- implemented an Accessibility Fund that supports MSD-funded providers of services addressing family violence and sexual violence to improve service accessibility for disabled people.

We achieved outcomes through iwi partnerships

Tākai Here Relationship Agreement between MSD, Te Rūnanganui o te Āti Awa and Te Rūnanga o Toa Rangatira was signed in September 2023. The central focus of this relationship agreement is the wellbeing of whānau, including a commitment to improving the overall quality of life and social conditions for whānau and communities. In particular, MSD is working with iwi partners to create employment and training opportunities to reduce the number of people receiving Jobseeker Support benefits in the region.

Our Tūhoe-Crown relationship was picked as joint winner for The Māori Crown Relationships Award | Te Tohu mō te Tūhonotanga a Ngāi Māori me te Karauna at the 2023 Spirit of Service Awards. The Tūhoe Service Management Plan is a 40-year plan forming part of the mana motuhake redress in the Tūhoe Deed of Settlement. MSD leads the Tūhoe Service Management Plan on behalf of the Crown. Tūhoe and the Crown work together to improve the housing, health, education, social support and development of Tūhoe.

We supported young people to thrive

This year, the Ministry of Youth Development funded 139 providers to deliver a total of 55,371 youth development and youth enterprise opportunities for young people aged 12–24 years. This included:

- the Ākonga Youth Development Community Fund, which supports at-risk ākonga (learners) to stay engaged in their education journey or to transition to employment. In January 2024, 31 community-based providers across New Zealand started delivering services, with 52 percent of funding allocated to providers in regions affected by severe weather events.
- He Kākano, a collaboration with the King's Trust Aotearoa New Zealand. He Kākano provides seed funding, mentoring, shared support services and skill development to young entrepreneurs. As at 30 June 2024, 98 percent of supported businesses continued to operate and grow, making contributions to their communities and the economy.

Case study – Communities

In the wake of Cyclone Gabrielle, the Government approved an Enhanced Taskforce Green (ETFG) programme to help with the clean-up and recovery. Funded by MSD and Whangārei District Council and delivered by Te Iwi o Te Roroa, the ETFG programme saw 13 local jobseekers, students and workers at risk of returning to a benefit help over 135 farmers across Northland and North Auckland to restore their land.

Most of the damage included fallen trees and branches, some of which blocked vital roads and waterways and damaged fences. This presented considerable risk to both farmers and the local community. Existing expertise within the ETFG team meant they could offer tree removal and chainsaw services, which proved invaluable – helping forge strong bonds between the team and landowners.

Ongoing training, supervision and pastoral care ensured a sustainable workforce throughout the 12-month programme. A governance group, including representatives from MSD, Te Roroa, Ministry for Primary Industries, Northland Regional Council, Rural Support Trust and Federated Farmers, met regularly to monitor the scope of work, problem-solve and identify sustainable employment outcomes for the workforce.

The programme officially wrapped up on 29 April 2024 and was acknowledged nationally for its partnership with iwi, scope of work delivered and ability to mobilise quickly.

As a result of innovative partnerships, the ETFG workforce was transitioned into ongoing employment through Ngā Manga Atawhai. This multi-agency project aims to build Northland's resilience to future adverse weather events by tackling the problem of fallen and at-risk trees.

Lessons learned from the weather event and ETFG deployment have been captured and reviewed by the governance group. This will give the region confidence that community support can be deployed quickly for future events.

Picture above shows a worker helping to clear fallen trees and branches after Cyclone Gabrielle as part of the Enhanced Taskforce Green programme.

Fiscal sustainability

Fiscal sustainability is a key priority for the Government. As part of Budget 2024, MSD was asked to find savings of 6.5 percent of eligible baseline, or $119.4 million annually. This is in addition to what MSD was already doing to reduce overall expenditure, including absorbing cost pressures and implementing $87 million in savings over four years as part of Budget 2023.

For Budget 2024, we identified a range of savings options for Ministers to consider, including options to:

- make policy changes which will lead to savings
- scale or stop lower value contracted programmes
- reduce more discretionary operational spending, including contractors and consultants.

One of our key savings initiatives was an invest-to-save proposal to support more households, particularly families, out of emergency housing. This included changes to tighten eligibility and extending support for people to find sustainable housing options. As a result, fewer people are expected to be in emergency housing in the future than was forecast if these initiatives were not in place.

We are reducing our property footprint, travel and fleet management costs, and have identified savings in contractors and consultants.

After a period of time-limited funding for fixed-term roles coming to an end and new functions shifting to MSD, there has been a flow-on effect to the number of staff through a combination of voluntary redundancies, attrition, fixed-term roles ending and change proposals for four of our seven business groups. See page 41 for more information.

Looking ahead
Te anga whakamua

Te Pae Tawhiti Transformation Programme

We will transform how we serve New Zealanders

Te Pae Tawhiti Transformation Programme is our multi-year transformation to modernise the payments and public employment systems, while future-proofing the welfare system and enabling a more strategic approach to commissioning. It is guided by MSD's strategic documents Te Pae Tawhiti – Our Future, Te Pae Tata and Pacific Prosperity.

The programme will transform MSD's underlying business processes, technology and payments engine to enable a fit-for-purpose service model.

We are focused on three areas: work, partnering and payments. This means:

- giving the right level of support to help clients get work-ready, get into work and stay in work
- working better with partners and reducing red tape so they can focus on helping people
- making sure people get the right financial help and reducing debt caused by overpayments.

MSD's transformation aims to:

- modernise the core government payments system and redesign how MSD delivers services, making processes more efficient and effective
- make transactional tasks easier so clients can do more themselves and we can focus on people who need extra help
- provide modern, stable technology to be able to implement government policy more easily.

Preparing for transformation

We are continuing to develop our core operational foundations. This work includes developing cloud platform services, improving system security, enabling digital access to services, improving integration between systems and improving access to and use of data and information.

The Service Experience Platform and Digital Employment Service elements of our transformation are the critical building blocks to delivering integrated services and support. Together they will secure the technology, processes, tools and workforce capabilities we need to work more efficiently and effectively across income support and employment. We have completed procurement for our transformation partners to support the delivery of these service changes.

We are working with other social sector agencies to align our contracting and commissioning processes. The aim is to have communities and providers spend less time on administration and more time supporting people to achieving better social outcomes, including employment. We have begun work to establish a modern contracting and commissioning system to support a new partnering model.

We have also begun developing a Practice Framework and Model, which includes the detailed design of how our frontline staff will work with clients and partners to support people into employment or meet other support needs. We will pilot these components together with the necessary technology changes before rolling them out nationally.

This is an ambitious programme which we plan to deliver in stages – the first stage will take us through to 2026.

Budget 2024

Savings

As part of Budget 2024 and the Government's fiscal sustainability targets, MSD supported the Minister for Social Development and Employment to review MSD's expenditure, with a focus on:

- alignment with government priorities
- evidence of effectiveness and value for money
- risks/impacts of stopping the programme/initiative.

To achieve the MSD savings target of 6.5 percent on eligible baseline, Budget 2024 included $792.42 million net savings over the forecast period, including cross-Vote impacts. This comprised:

- $350.546 million from tightening emergency housing gateway settings and continuing support services. This initiative ensures emergency housing is targeted to those who have a genuine need and have met their obligations
- $150.957 million from including boarders' contributions in the calculation of subsidies for private and public housing. This makes the assistance fairer and more sustainable where accommodation costs can be counted more than once in the calculation of subsidies
- $154.864 million from MSD's departmental expenditure through reductions in spending on contractors and consultants, operating costs (such as travel, stationery and cleaning) and MSD's workforce

- $83.132 million returned from time-limited initiatives, such as COVID-19 departmental funding, Growing the Capability of the Social Sector Fund and scaling the number of Community Connectors from 100 to 50 full-time equivalents (FTEs)
- $52.921 million from ceasing the design and implementation of a wage supplement to replace minimum wage exemption permits and ending the Community Innovation Fund.

New spending initiative

In addition to the fiscal sustainability focus, Budget 2024 provided $81.869 million in new funding over two years to enable MSD to assess a further 2,000 claims of historic abuse in care.

Our organisation
Tō mātou whakahaere

On 30 June 2024, MSD had 8,934 employees, with 8,808 permanent and fixed-term FTEs. The organisation is arranged into an Office of the Chief Executive and seven business groups:

- Service Delivery
- Māori, Communities and Partnerships
- Transformation
- Policy
- People and Capability
- Organisational Assurance and Communication
- Strategy and Insights.

Each business group is led by a Deputy Chief Executive (DCE), who is a member of our Leadership Team.

We have offices and service centres throughout New Zealand. Some services are also provided by phone and digital channels (such as our MyMSD online self-service portal).

We also provide our services through Heartland sites in rural and isolated communities.

Governance and risk management

Governance

Our primary governance body is the Leadership Team, comprising our Chief Executive and DCEs. The Leadership Team is responsible for setting our strategic direction, driving organisational performance, overseeing organisational risk and assurance, managing finances and leading a positive culture.

The Leadership Team is supported by three governance committees (see Figure 5). These are led by members of the Leadership Team and include senior leaders from across the organisation.

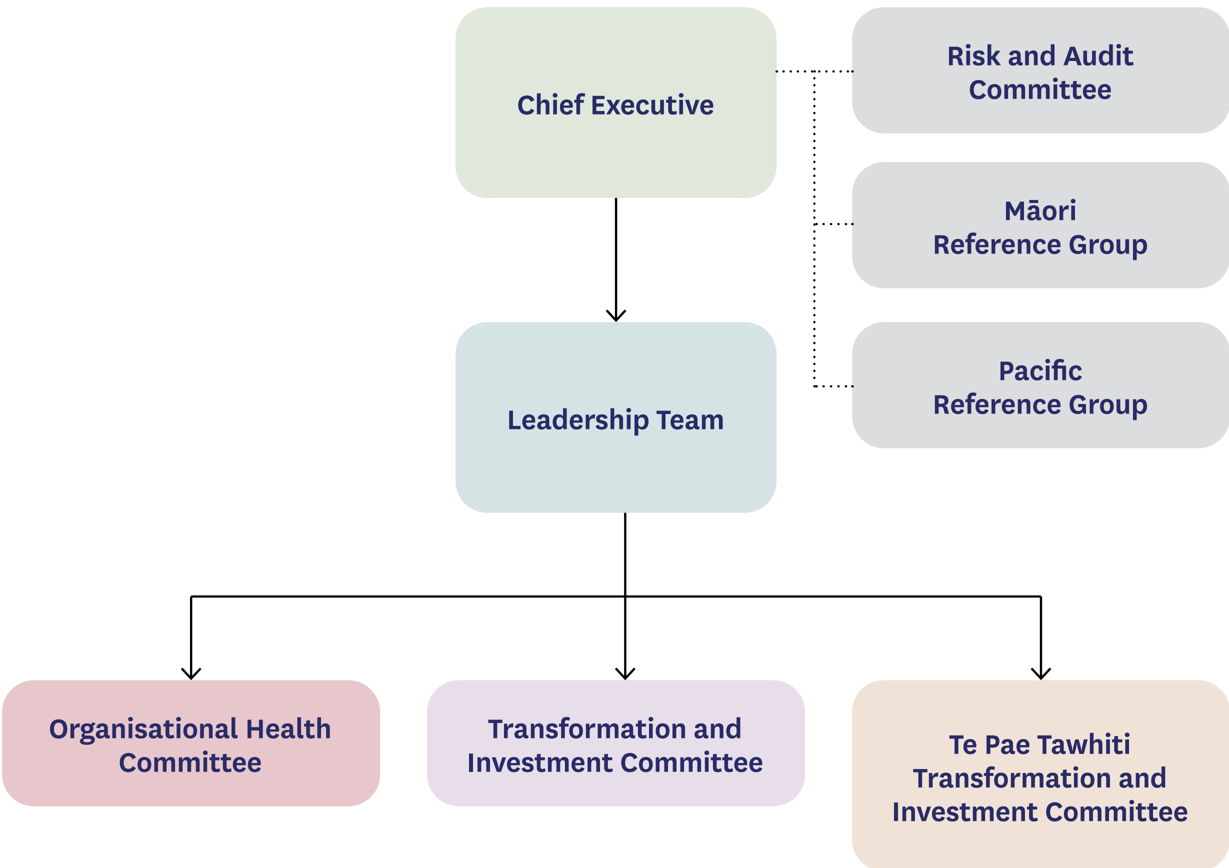
- The Organisational Health Committee ensures the high-level design and health of key corporate services, systems, capabilities and infrastructure are aligned and support optimal functioning and performance.
- The Transformation and Investment Committee ensures that MSD's investments are robust, strategic and effective, and that our organisational performance supports delivery to our purpose and outcomes.

- Te Pae Tawhiti Transformation and Investment Committee took effect on 1 January 2024 and provides programme governance to MSD's organisational transformation programme, Te Pae Tawhiti. The six internal members are complemented by four independent external advisors who bring experience in significant transformation programmes from the public and private sector. Governance of the programme was previously provided by the Transformation and Investment Committee.

Our Chief Executive is also supported by three independent advisory groups (see Figure 5) consisting of external members:

- the Risk and Audit Committee, which provides advice to the Chief Executive on risk, assurance and auditing requirements
- the Māori Reference Group, which provides advice on the design and implementation of strategies and policies that impact the social outcomes of Māori, whānau, families and communities
- the Pacific Reference Group, which provides advice on the design and implementation of strategies and policies that impact the social outcomes of Pacific peoples, families and communities.

Figure 5: MSD governance framework



MSD Business Risk Management Policy

MSD's Business Risk Management Policy outlines the expectations, accountabilities and responsibilities of MSD staff. It is supported by a risk framework that provides tools, templates and guidance that ensure a consistent approach.

The policy ensures that:

- staff have a proactive approach to business risk management in their day-to-day work
- business risk management is considered in design, development and delivery decisions across all levels of MSD.

Our people

He Korowai Manaaki (Our People Strategy)

He Korowai Manaaki sets out the people-related actions we will take to achieve our key organisational strategies: Te Pae Tawhiti – Our Future, Te Pae Tata and Pacific Prosperity. The four components of He Korowai Manaaki outline 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 our people to experience working and leading others at MSD.

These components are:

- 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 feel included, safe and well.

Workplace relations

Our relationship with our union partners continues to be positive and constructive at both operational and strategic levels. The Public Service Association (PSA) is the main union that represents our employees. We engage with PSA delegates at local and national levels, including Ngā Kaitūhono representatives and PSA convenors. We also work constructively with the Work and Income Northland Staff (WINS) union, which has members based in Northland.

Adapting to our new environment

As part of MSD's fiscal sustainability programme (see page 34), MSD offered employees in some parts of the organisation the choice of voluntary redundancy to reduce workforce numbers and associated costs. MSD accepted an initial 218 voluntary redundancy applications from employees in mainly non-client-facing roles.

Following this, a further targeted change process to achieve fiscal sustainability measures commenced in May 2024 in the following non-client-facing business areas:

- People and Capability (People, Commercial Operations, Finance)
- Organisational Assurance and Communications (Information, Legal)
- Transformation (Improvement, Systems and Technology; Transformation Office)
- Strategy and Insights.

These change processes ranged from changes to reporting lines to the disestablishment of positions. Decisions were confirmed on 26 June 2024 and will result in workforce reductions of a further 86 FTEs. This change process is due to be completed in the first quarter of 2024/25.

Other reporting requirements
Ētahi atu herenga tuku pūrongo

In addition to reporting under the Public Finance Act 1989, MSD has other reporting requirements for this Annual Report.

Treaty settlement commitments

Enhancing oversight of Treaty settlements: He Korowai Whakamana

He Korowai Whakamana is a Cabinet-agreed framework for achieving oversight and enhancing accountability for the Crown's Treaty settlement commitments. It requires core Crown agencies to record and track the status of their settlement commitments and report annually on them.

Te Haeata – the Settlement Portal is used by agencies to raise the visibility of settlement commitments and to record whether each of their commitments is complete, on track, yet to be triggered or having delivery issues.

The status of MSD's Treaty settlement commitments

MSD is responsible for a variety of Treaty settlement commitments. Most relate to relationship redress and the transfer of settlement properties.

As at 30 June 2024, MSD was responsible for 82 Treaty settlement commitments (see Figure 6).

Figure 6: Treaty settlement commitments

Most commitments we are responsible for (95 percent) have been completed or are on track. A small proportion of our commitments (5 percent or four commitments) is yet to be triggered.

Māori–Crown relations capability

MSD has focused on building capability to ensure that MSD can confidently and appropriately engage with Māori. We are committed to implementing Whāinga Amorangi Phase One through our Māori Cultural Capability work.

Our te ao Māori capability dashboard tracks the uptake and completion of development opportunities. This provides us with an organisation-wide view of the progress we continue to make and helps us to determine where our focus should be to support our people.

In 2023/24, 31 percent of our employees participated in these development opportunities, with almost 1,500 courses completed (now over 5,500 since 2018). We have continued to prioritise capability building across MSD in New Zealand history, Treaty of Waitangi, tikanga, kawa and te reo Māori.

Māori language planning – te reo Māori revitalisation

Developing te reo Māori capability in our people offers a strong foundation for providing the best service to all New Zealanders, especially whānau, hapū and iwi. It helps us to create environments that are welcoming, safe and relationship-focused to better support our clients.

MSD has incorporated Māori language planning into several streams of our work programmes. MSD is required to develop a te reo Māori language plan under Maihi Karauna – the Crown's Strategy for Māori Language Revitalisation and Te Ture mō Te Reo Māori 2016 (Māori Language Act 2016). We are continuing to work on establishing and implementing regional te reo Māori capability plans. The development of these will continue into 2024/25, alongside the wider promotion of learning and other supports such as regional hui, communications and significant events such as Matariki.

Equal employment opportunities

We are committed to equal employment opportunities (EEO), so that our staff reflect the values and composition of the communities we work with.

Our EEO policy is designed to ensure that we support and promote equal employment opportunities. The policy provides the guiding principles and outlines the responsibilities for managers, human resources and staff.

This policy is part of MSD's Equality and Diversity Commitment and adheres to the Public Service Commission Model Standards. The Model Standards set out the Public Service Commissioner's minimum expectations for staff and organisations in the public service to ensure positive and safe workplaces.

EEO principles are built into all of our people policies and guidelines. We continue to monitor our pay gaps and organisational ethnicity and gender metrics to ensure that we are aligned with our own policies and guidelines.

Progress on the review of our EEO policy has continued and we expect this to be completed in 2024/25.

Diversity, equity and inclusion

Diversity, equity and inclusion are important to ensure a positive experience for our people at work. 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.

MSD has a comprehensive diversity and inclusion work programme, which allows a focus on areas of opportunity to create a safe and supportive work environment for all our people.

Our diversity and inclusion programme

Our diversity and inclusion direction is in line with the Papa Pounamu work programme, led by the Public Service Commission.

We have an extensive range of training and development programmes and resources, including:

- training to build awareness of unconscious bias in the workplace
- te ao Māori training and development opportunities
- Te Pātaka, our storehouse of learning and resources
- MSD's mentoring programme, successfully run in partnership with employee-led networks, regions and business units.

We have approximately 35 employee-led networks that promote and support the goals and needs of particular groups of MSD employees and play an integral part in helping MSD to build a more inclusive workforce.

Demographic profile and pay gaps

Kia Toipoto – Public Service Pay Gaps Action Plan 2021–24

MSD is working to close its gender and ethnic pay gaps. In part, we are doing this by addressing occupational division, which is over- or under-representation of some ethnic cohorts in specific types of jobs, following the guidance provided by the Public Service Commission.

We have been formally addressing internal gender pay gaps since 2017 and tracking gender-ethnic pay gaps since 2018.

MSD's Gender and Ethnic Pay Gap Action Plan 2023/24 is available on our website. As required, the action plan for 2024/25, which will contain our full data analysis for 2023/24 and an overview of our Diversity, Equity and Inclusion Plan, will be published on our website by 15 November 2024.

We made good progress during 2023/24. This included implementing a Starting Salary Policy and Guidelines to support our people leaders in making fair and equitable employment offers, and launching an online learning module that helps build Rainbow capability with our staff.

We have updated the way we calculate our demographic data to align with Public Service Commission guidance. While this has had a marginal impact (less than 1 percent) on our results, it should be considered when comparing against previous years.

Ethnicity

Māori, Pacific and Asian representation in MSD is higher than in the New Zealand public service as a whole, and is in line with what we have seen in previous years. There are generally no ethnic pay gaps within same or similar roles, or across most pay bands. Figure 7 outlines the ethnicity demographic across the organisation and in senior management, and the ethnicity pay gap.

To address occupational division, several key focus areas and projects are working on the remaining gender and ethnic pay gaps following Kia Toipoto guidance. These cover:

- transparency
- equitable pay outcomes
- leadership representation
- effective career and leadership development
- addressing all forms of bias and discrimination
- flexible work by default.

Figure 7: Ethnicity demographic and pay gap data as at 30 June 2024

Ethnicity demographic across the organisation

	Headcount	European	Māori	Pacific	Asian	MELAA (Note 1)	Other	Unknown/ Undisclosed
Total	8,934	4,899	2,029	1,601	1,641	157	77	366
% of entire workforce with ethnicity disclosed (Note 2)	N/A	57.2%	23.7%	18.7%	19.2%	1.8%	0.9%	N/A

Ethnicity demographic breakdown of senior management (Note 3)

	Headcount	European	Māori	Pacific	Asian	MELAA (Note 1)	Other	Unknown/ Undisclosed
Total	79	65	13	9	3	0	1	4
% of senior management with ethnicity disclosed (Note 2)	N/A	86.7%	17.3%	12%	4%	0%	1.3%	N/A

Ethnicity pay gap

	Māori	Pacific	Asian	MELAA (Note 1)	Other
Pay gap mean (%)	4.2%	11.3%	9.5%	2.1%	10.1%
Pay gap median (%)	0%	6.3%	6.3%	1.4%	8.6%

Note 1: Middle Eastern, Latin American and African.

Note 2: We allow the option to select more than one ethnicity, so the numbers do not match the total headcount and percentages will not equal 100 percent.

Note 3: Senior management is exclusive of the Chief Executive as they are not employed by MSD.

Gender

Over the past year, MSD has continued the effort to reduce the gender pay gap. As at 30 June 2024, the pay gap has decreased to 9.7 percent, compared with 30 June 2023 (10 percent). Figure 8 outlines the gender demographic across the organisation and in senior management, and the gender pay gap.

Nearly 70 percent of MSD employees are female and a higher proportion work in our lower-paid roles, which impacts the overall pay gap. There are generally no gender pay gaps within the same or similar roles, or across most pay bands.

Figure 8: Gender demographic and pay gap data as at 30 June 2024

Gender demographic across the organisation

	Male	Female	Another Gender	Unknown/ Undisclosed
Total	2,703	6,176	36	19
% of entire workforce	30.3%	69.1%	0.4%	0.2%

Gender demographic breakdown of senior management (Note 1)

	Male	Female	Another Gender	Unknown/ Undisclosed
Total	31	48	0	0
% of senior management	39.3%	60.7%	0%	0%

Note 1: Senior management is exclusive of the Chief Executive as they are not employed by MSD.

Gender pay gap

	Female
Pay gap mean (%)	9.7%
Pay gap median (%)	6.3%

Disability

MSD does not require people to declare their disability status. We are continuing to improve our data and understanding of this workforce so we can improve support and decision-making for those with disabilities.

Health and safety

The Health, Safety, Security and Wellbeing (HSSW) requirements and duties that MSD operates under are set out in the Health and Safety at Work Act 2015 (HSWA) and the Protective Security Requirements (PSRs).

We provide a suite of internal reports on HSSW risks and events to a range of stakeholders, including regional managers and the PSA. Our Leadership Team receives regular detailed reports that give them the information required to discharge their due diligence duties as officers under the HSWA. Our HSSW policies are reviewed and refreshed every two years in consultation with our National Health and Safety Committee.

Our biennial Worker Participation Agreement with the PSA was last signed in May 2023 and outlines both parties' commitment to staff and PSA representation on MSD's Health and Safety Committees. Our Health and Safety Representatives (HSRs) throughout the organisation are an important asset. HSRs receive training to fulfil their roles under the HSWA and are encouraged to input into Health, Safety and Security (HSS) risk assessments, policies and processes.

In June 2024, one of our HSRs was awarded the Government Health and Safety Lead Award for HSR of the Year. This is the second time in three years that an MSD HSR has been recognised with this award.

Staff wellbeing

Supporting and investing in the wellbeing of our people is a priority for MSD. Managing our critical risks, including psychosocial harm arising for staff in the conduct of their work, is undertaken on an MSD-wide basis. MSD's approach to wellbeing encompasses a range of initiatives which support our people as part of the work programme for Pā Harakeke, our wellbeing plan. These initiatives include mental health and wellbeing learning, health benefits (for example, flu vaccinations and vision care), peer support, counselling and coaching.

In late 2023, a separate functional team was set up within the HSSW team structure. This team includes dedicated roles that are tasked with developing and supporting workplace wellbeing. They focus on:

- addressing aspects of work design that affect physical and psychosocial wellbeing
- building the awareness and capability of managers and all staff
- minimising the impacts of psychosocial harm that arise from work.

Staff safety and security

The nature of our work carries risk, including the risk of physical harm to staff. Staff are reporting increased numbers of events involving assault, abuse and threats of harm, both in person and by telephone. Our security ecosystem is designed around the principles of detect, deter, delay and respond. These principles underpin all operational decisions affecting staff safety.

Our HSSW training framework is designed to support the training requirements of staff generally (ActSafe), managers and people leaders (LeadSafe) and for workplaces generally. The training programme includes a regular cycle of mandatory safety drills that draw on the experience of actual security events, and that reflect our assessment of security risks. We carried out three drills in 2023/24 and participants reported an increase in their confidence in dealing with security events.

Each year a sample of sites is audited for Accident Compensation Corporation's (ACC) Accredited Employers Programme (AEP). The AEP is supplemented by our own assurance processes, which include annual in-person checks of the security controls for all client-facing sites. All sites, including non-client-facing workplaces, are required to complete a self-audit to ensure that we meet our obligations under the HSWA and the PSRs.

Service Centres for the Future

Service Centres for the Future (SCF) is our national programme of work that has enhanced security in all our service centres, including incorporating new spaces and technologies. Of the 122 sites in scope, 113 have now been fitted out with these new security features, including three sites that were relocated to newly built facilities in 2023/24.

Four sites are due to have their SCF fit-out completed by December 2024, and the remaining five sites currently have interim security control layouts.

Carbon Neutral Government Programme reporting

We continue to reduce our carbon emissions and have introduced more sustainable practices to support the Carbon Neutral Government Programme (CNGP).

We have been reporting our emissions since 2022 and have set targets to reduce emissions by 21 percent by 2025 and 42 percent by 2030, compared with our 2018/19 base year. Our base year emissions were recalculated this year to correct a historic error, which has resulted in an updated figure of 6,337.3 tonnes of carbon dioxide equivalent (tCO_2e) for 2018/19 (previously 6,235.4 tCO_2e).

Our forecasts show that we are on track to meet our 2025 emissions reduction target, with our emissions 19.8 percent lower for 2023/24 than our base year.

The emissions included in our emissions profile are those that are classified as mandatory for reporting under the CNGP. Our reduction targets are based on these emissions.

Emissions profile

Our key emissions sources are from energy use in buildings, air travel, our vehicle fleet and postage. Figure 9 outlines a full breakdown of our emissions by scope and source.

The increase in our emissions of 3.5 percent compared with 2022/23 is mainly due to:

- a one-off increase in postage from two large mail campaigns that let clients know about required changes to international payments, and changes to how child support is shared by Inland Revenue and automatically charged against MSD financial assistance

- an increase in the electricity factor (the emissions produced from each unit of electricity used) which is used to calculate MSD's electricity emissions.

Despite this, our 2023/24 emissions are within our reduction target trajectory.

Our emissions reporting aligns with central agency CNGP guidance. Our 2023/24 data has been independently verified by Opportune NZ. The emissions profile for 2023/24 excludes emissions from staff commuting and emissions generated by the activities of Whaikaha – Ministry of Disabled People, which reports separately from MSD.

Figure 9: MSD emissions profile

Emission source	Scope emissions (tCO_2e)
Scope 1 – direct greenhouse gas emissions	
Diesel boiler	9
Natural gas	58
Petrol use	649
Refrigerants	22
Scope 2 – electricity indirect greenhouse gas emissions	
Electricity	1,395
Scope 3 – other indirect greenhouse gas emissions	
Domestic accommodation	119
Domestic air travel	916
Electricity transmission and distribution losses	82
Freight	82
International accommodation	2
International air travel	35
Mileage	32
Natural gas transmission and distribution losses	2
Paper use	5
Postage	925
Purchased goods	44
Rental vehicles	63
Taxi	31
Waste to landfill	430
Water supply/wastewater	47
Working from home	132
Total	**5,080**

Reduction initiatives

Our key emission-reduction initiatives, focusing on our top four emission categories, are:

- Travel: reducing travel and introducing a new Travel and Transport Policy. This change also supported our fiscal sustainability programme.
- Energy: completing energy-efficiency audits focusing on our largest sites, identifying quick-win initiatives and longer-term measures to reduce energy use. We continue to engage with landlords to secure improved building systems to reduce emissions (for example, installation of energy efficient lighting and the use of heating, ventilation and air conditioning (HVAC) settings).
- Fleet: reducing the size of the fleet and transitioning to electric vehicles. In 2023/24, we significantly reduced the size of the fleet by removing underutilised older vehicles. We disposed of a majority of our petrol vehicles and over a quarter of the fleet now consists of electric vehicles.
- Postage: we are working to encourage more clients to use our digital service for their letters, instead of receiving printed letters by post.

Asset performance

MSD manages about $308 million of departmental assets, made up of property, plant and equipment, and intangible assets.

The following performance measures in Figure 10 allow us to assess how well we are meeting our expectations and objectives, both at an organisational and asset level. We review our measures and targets regularly to ensure they are fit for purpose.

Figure 10: Property and technology asset performance measures

Measure	Indicator	Standard 2023/24	Actual 2022/23	Actual 2023/24	Status
Property assets					
Client-facing service sites work-point density (Note 1)	Utilisation	<28m²/WP	24.8m²/WP	21.9m²/WP	
Regional/National Offices work-point density (Note 1)	Utilisation	<15m²/WP	11.1m²/WP	12.2m²/WP	
Proportion of leased commercial premises at a moderate or better condition (Notes 2 and 3)	Condition	>82%	83%	89%	

Measure	Indicator	Standard 2023/24	Actual 2022/23	Actual 2023/24	Status
Proportion of leased commercial premises with moderate or better site suitability (Note 3)	Functionality	>82%	83%	86%	✓

Measure	Indicator	Standard 2023/24	Actual 2022/23	Actual 2023/24	Status
Technology assets – Intangible – internally generated software					
Proportion of time that core applications are available for use (Note 4)	Availability	>99%	99.96%	99.9%	✓
Proportion of Tier 1 software applications that are in support (Note 5)	Condition	>80%	90.28%	95.95%	✓

Measure	Indicator	Standard 2023/24	Actual 2022/23	Actual 2023/24	Status
Technology assets – Computer equipment					
Proportion of IT disk storage capacity utilised	Utilisation	<85%	75.09%	74.89%	✓

Note 1: Work-point density is the area (m^2) of building floor space per work point.

Note 2: Condition excludes seismic status.

Note 3: Leased commercial premises are assessed by MSD's property managers using a framework based on the New Zealand Asset Management Support (NAMS) methodology from Āpōpō, which is the professional association for infrastructure asset management in New Zealand.

Note 4: Core applications are defined as systems, the criticality of which is such that any issue that occurs is resolved as a high priority.

Note 5: Tier 1 applications are those that are critical for the support of our services. In-support applications are supported by vendors through regular upgrades, defect and security fixes. This is vital for enabling them to function correctly and securely.

Property assets

MSD's property assets provide 179,000m^2 of office space for our staff. These spaces are key to engaging face to face with clients and providing organisational support within 122 service centres across the country. Most space is leased rather than owned. Within the leased spaces, our assets are primarily fit-outs, furniture and security equipment.

Three service centres have been relocated into newly built premises: Te Kāika in Dunedin, Palmerston North and Riccarton (Christchurch). One service centre has been relocated in Murupara, and one office that housed MSD and Whaikaha – Ministry of Disabled People staff has been relocated into an all-of-government hub in Te Rapa (Hamilton). There have also been three new Jobs and Skills Hubs opened, in Lower Hutt, Hastings and Gisborne.

The service centre site in Gisborne was relocated to temporary premises while our new permanent site is being built. There are an additional three sites currently undergoing earthquake strengthening and other significant works in Masterton, Tauranga and Whakatane. These are operating in temporary or reduced sites during the works.

We are continuing to focus on long-term property investment planning, leveraging tenure at strategic sites and improving space utilisation, and working proactively with the Government Property Group and other agencies to optimise office accommodation. We also provide shared service support for smaller agencies.

Technology assets

Maintaining and improving services

MSD's current infrastructure and business processes have developed over time to meet changing services, products, legislation and needs. We have core heritage systems that are end of life and have no future roadmap.

Currently our systems are complex and a disproportionate amount of effort is required to keep them operational and safe. With end-of-life technology, our workforce has a heavy focus on processing transactions.

Despite this complex environment, and while preparing for the future, we have ensured MSD's digital services, frontline systems and applications are available to our clients, staff and partners for over 99 percent of the time during business hours.

In the past year, we have enabled many service and system improvements for clients, staff and partners, from small updates to major projects. An example is the work we have done to upgrade our core Cúram client management system to the current supported version.

Preparing for transformation

In 2023/24, we further accelerated work to enable MSD to transform its services to New Zealanders. Our technology strategy has been refreshed with a focus on cost efficiencies, resilience, emerging technologies, accessibility, sustainability and decluttering our technology landscape.

To support our technology workforce, practice managers and practice leads are now responsible for ensuring staff are skilled in the tools they need for their work and ready for the changes to technology coming with the Te Pae Tawhiti Transformation Programme. We have rolled out the Skillsoft Percipio online learning platform and work is continuing to integrate this with our Skills Framework for the Information Age tooling, to guide staff to learning that reflects skills gaps or desired career paths.

To empower the MSD workforce with modern tools, we have now completed the rollout of Microsoft Teams nationally. We are implementing Microsoft SharePoint as a modern document management system to better create, collaborate and secure documents and other unstructured information across MSD. This is expected to retire several legacy systems, reducing complexity and costs to MSD.

To bolster our resiliency in the event of a major disaster, we have recruited a resiliency manager based in Auckland. The resiliency manager supports the Auckland-based IT team to run recovery and operations in the event of major events in Wellington.

Delegation of functions or powers under the Public Service Act 2020

During 2023/24, MSD's Chief Executive delegated no functions or powers to a person outside the public service under the Public Service Act 2020 or any other Act.

Child Protection Policy

MSD has a Child Protection Policy as required by the Children's Act 2014. The purpose of this policy is to promote the safety of the children we interact with by helping staff identify and respond to suspected abuse.

Under this policy, all staff are required to know that the policy exists and how to access it. The policy is published on the MSD website as required by the Act. MSD has reviewed and refreshed existing child protection guidance and information and updated existing training. The training will be rolled out across the organisation in 2024.

Where MSD funds providers to deliver children's services, they are required to hold Level 2 or 3 accreditation with Te Kāhui Kāhu. Accreditation requires providers to be compliant with the Act, which also includes having their own child protection policy.

Oranga Tamariki Action Plan

The Oranga Tamariki Action Plan was published on 7 July 2022 alongside an associated Implementation Plan. The Action Plan sets out the steps that the Chief Executives of the children's agencies (including MSD), under the Children's Act, will take in working together to improve the wellbeing of the core populations of interest to Oranga Tamariki – Ministry for Children.

Oranga Tamariki captures progress made by all the children's agencies in six-monthly implementation reports. As described in the latest implementation report (covering July to December 2023):

- MSD has refreshed our 'ChildSAFE' online learning which has been republished within our organisation-wide induction programme as compulsory learning. This training sets out the principles of MSD's Child Protection Policy and expectations of how our staff should respond when they have concerns about the safety and wellbeing of children.
- MSD engaged a specialist provider to design and deliver Family Violence Awareness training regionally for client-facing managers between March and July 2024.

Copies of the implementation reports for the Oranga Tamariki Action Plan are available online: www.orangatamarikiactionplan.govt.nz/mahi/implementation.

MSD services for victims

Under section 50A of the Victims' Rights Act 2002, MSD is required to report a summary of the services it provides to victims. MSD is also required to report statistical information about the number, type and nature of complaints from victims received under section 49 of this Act.

The services MSD provides directly for 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 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. It has Family Violence Co-ordinators in each region to provide support to all staff and liaise with local support services.

Figure 11 lists services provided to victims by third-party non-government organisations which receive funding from MSD. More information about the services available can be found on MSD's website.

MSD has not, to its knowledge, received any complaints from victims in 2023/24 of the type specified under section 49 of the Victims' Rights Act.

Figure 11: Services provided to victims by third parties

Services	Description
Child Advocates	This service provides specialist, child-focused support to children who have experienced family violence and is available in eight Women's Refuge sites across New Zealand.
Court Support Services	Court Support Services provide information, advocacy and psychosocial support for victims/survivors of sexual violence going through the criminal justice system. This includes supporting victims/survivors through non-crisis engagement with the Police and through the trial and court.
Elder Abuse Response Services	Elder Abuse Response Services ensure that older people experiencing, at risk of experiencing, or perceived to be experiencing abuse and neglect, have timely access to appropriate local services that respond to ensure their immediate safety and support them to have greater control over their lives.
Family Violence Response Services	Family Violence Response Services deliver whānau-centred, outcomes-focused and integrated services to people experiencing violence. This includes counselling, social work, support work, and Māori, Pacific and ethnic services.
Helplines	MSD funds multiple helplines and online support for people experiencing family violence, sexual violence and/or elder abuse. These services include: • Family Violence Information Line • Shine Helpline • 211 Helpline • Safe to Talk • Elder Abuse Helpline • Family Violence National Platform.

Services	Description
Integrated Community-led Responses	Family violence specialists provide integrated community-led responses to ensure that safe, effective and appropriate risk assessments, safety plans and referrals are being made at safety assessment meetings.
Kaupapa Māori Sexual Violence Services	A small number of providers are funded to deliver Kaupapa Māori sexual violence support services, piloting service guidelines for a Kaupapa Māori/tangata whenua mahi tūkino service.
Services for Male Survivors of Sexual Abuse	This service provides support for male survivors of sexual abuse to enable long-term recovery through peer support, case planning and information for male victims/survivors and their whānau and support networks.
Sexual Harm Crisis Support Services	This service provides psychosocial crisis support to victims/survivors through emergency face-to-face sessions (including crisis counselling), advocacy and support (including call-out) and crisis social work support.
Sexual Violence Long-Term Recovery	This service includes provision of psychosocial help to victims/survivors after crisis events, supporting whānau/family and social work.
Whānau Resilience	This service provides long-term healing and recovery for whānau affected by violence.
Women's Refuge	This is a nationwide service which provides safe houses, advocacy and support for women and children experiencing violence.

Approved Information-Sharing Agreements (AISAs)

AISA between MSD, the Ministry of Education and Oranga Tamariki to support services for disengaged youth

MSD is the lead agency for the AISA with the Ministry of Education (MoE) and Oranga Tamariki for providing services to help disengaged youth move into education, employment or training. Figure 12 outlines the operation of this AISA in 2023/24.

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 considers 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 they can receive intensive support. Participation is voluntary.

Figure 12: Operation of the AISA 1 July 2023 to 30 June 2024

Scale

2022/23		2023/24
43,916	Total MoE records received by MSD	44,695
16,288	Total Oranga Tamariki records used by MSD	16,701
42,955	Unique students for whom profiles were created	43,640
42,955	- Of these, profiles that included information from MoE	43,640
15,706	- Of these, profiles that included information from Oranga Tamariki	16,061
32,617	- Of these, profiles that included information from MSD	33,098
4,608	'Most at risk' individuals identified and referred to external provider	5,244
4,608	- Of these, profiles that included information from MoE	5,244
4,483	- Of these, profiles that included information from Oranga Tamariki	5,062
4,571	- Of these, profiles that included information from MSD	5,194

Benefits

2022/23		2023/24
2,301	Active enrolment count of NEET clients at the beginning of the period	2,737
527	- Of these, enrolments from referrals using information combined to make a single profile (Note 1)	558
3,234	Count of NEET clients enrolled during period	3,123
736	- Of these, enrolments from referrals using information combined to make a single profile (Note 1)	714
2,752	Active enrolment count of NEET clients at the end of the period	2,837
560	- Of these, enrolments from referrals using information combined to make a single profile (Note 1)	583
3,345	Individuals re-engaged in education, training or work-based learning (Note 2)	3,644
539	- Of these, outcomes from referrals using information combined to make a single profile	590

Note 1: 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.

Note 2: The number of individuals includes current clients and those who exited the service during the year.

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 with 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.

The model is monitored fortnightly by a team of analysts, and other than some reflection of COVID-19 effects, no issues were detected with either the inputs or results. During the period, 10.2 percent of school leavers were referred to providers, very close to the expected 10 percent. With the number referred close to target, thresholds have not been refreshed since 2020.

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

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 identified.

Number of complaints

No complaints were received in 2023/24 about any alleged harm caused by a privacy breach under the agreement (in 2022/23 there were no complaints).

Amendments to the AISA since the last report

There have been no amendments to the AISA since MSD's last Annual Report.

AISA between MSD and the New Zealand Customs Service

MSD is the lead agency for the AISA with the New Zealand 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. Figure 13 outlines the operation of this AISA in 2023/24.

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 New Zealand Superannuation, Veteran's Pension, Student Allowance and non-beneficiary supplementary assistance where debt is created.

The report distinguishes between the impact of the match on current clients and that on former clients who are in debt to MSD and are identified in Customs data as having returned to New Zealand.

Figure 13: Operation of the AISA 1 July 2023 to 30 June 2024

Scale		
2022/23		**2023/24**
9,856,090	Individuals whose travel movements were shared (Note 1)	12,638,812
94,255	Positive matches with MSD clients (Note 2)	125,135

Benefits		
2022/23		**2023/24**
81,455	Notices of adverse action sent (Note 3), either prior to suspension ('prior notice') or at time of suspension ('immediate')	107,482
2,609	Immediate suspension of benefit where debt established (Note 4)	3,711
31,005	Immediate suspension of benefit where no debt established (Note 4)	43,025
9,115	Suspension of benefit following prior notice that resulted in debt (Note 4)	15,110
14,082	Suspension of benefit following prior notice that resulted in no debt (Note 4)	15,098
21	Challenges received (Note 5)	22
20	Challenges upheld	21
$4,756,628	Total debt established as a result of information shared under the AISA	$4,817,599
	Actions taken to recover debt owed by former clients who arrive back in New Zealand	
812	Notices of adverse action sent	196
0	Challenges received	9
0	Challenges upheld	9
72	Debtors under arrangement to pay	30
$682,840	Balance owed under arrangement	$353,069
$68,609	Total debt recovered	$22,088

Note 1: 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.

Note 2: Clients may be included in this count multiple times, depending on their movements and the type of payment they receive.

Note 3: A client can potentially receive up to three adverse action letters in relation to one suspension. That is, for suspension of New Zealand Superannuation, a client may be sent a warning letter, a suspension letter and a debt letter.

Note 4: There are a small number of suspensions classified as following prior notice which were suspended immediately. We currently cannot separate these suspensions.

Note 5: A challenge process is available to remedy cases that may be mismatched each year. This year most 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 full effectiveness of this AISA is returning to pre-COVID-19 levels. As expected, travel in the last year has increased. During 2023/24, there were 28.2 percent more travel movements and 32.8 percent more matches than in 2022/23.

Number of complaints

During 2023/24, there were 15 complaints about the match:

- Two involved New Zealand Superannuation clients who advised MSD of their travel before departing. Both clients were incorrectly reported as being in breach, which resulted in no overpayment for one client and an overpayment being established for the other. The overpayment was disestablished, and apologies were made to both clients.
- The other 13 were about incorrect matches. All were investigated and corrected, and no privacy breaches were identified (in 2022/23 there were six complaints).

Assurance

The planned assurance review to assess the operation of the AISA commenced in the 2022/23 reporting period and will be completed by August 2024. The results of the review will be shared with MSD's Leadership Team in 2024 and reported in next year's Annual Report.

Amendments to the AISA

There have been no amendments to the AISA since MSD's last Annual Report.

Budget significant initiatives

This section sets out MSD's Budget significant initiatives from the previous three Budgets and where information on them can be found in the Annual Report.

The initiatives below have been selected using the following criteria:

- we have applied a threshold of $100 million to guide selection, given the size and number of MSD appropriations
- we have excluded:
    - anything completed before 1 July 2023 as being out of scope for current reporting
    - initiatives where the funding is only allocated to Benefits or Related Expenses (BoRE) appropriations, as this type of expenditure solely covers payments from the Crown to individuals
    - Whaikaha – Ministry of Disabled People initiatives.

The totals reflect the gross funding, excluding cross-Vote expenditure, associated with the initiatives as at the relevant Budget. Where an initiative has been substantially changed by a subsequent Budget process, this has been outlined in the initiative details, and any that are due to decisions made by the new Government are reflected in references to Budget 2024.

Further information about Budget initiatives can be found on the following sites:

- MSD's Budget fact sheets: www.msd.govt.nz/about-msd-and-our-work/newsroom/budget/index.html
- Summary of Initiatives for current and past Budgets: www.treasury.govt.nz/publications/budgets/current-and-past-budgets.

Published Budget information typically outlines the impact on the operating balance rather than the gross total of the initiative as shown below.

Budget 2021

Apprenticeship Support Scheme Programme: Design and Implementation of the Mana in Mahi Expansion and the Apprenticeship Boost Initiative

Gross total ($m): 409.972

This first initiative was for time-limited funding to April 2022 of $409.972 million to create the Apprenticeship Boost Initiative (ABI). The ABI was established on 5 August 2020 to support employers to engage and retain eligible apprentices who are in training towards their qualification and, in turn, to assist New Zealand's recovery from the impacts of COVID-19. The funding initiative also included funding for an expansion of the existing Mana in Mahi programme. It received Cabinet approval on 15 June 2020 and was included in the Supplementary Estimates 2020/21 through Budget 2021, with the funding drawn down from the COVID-19 Response and Recovery Fund (CRRF) Foundation Package.

A secondary initiative, Four Month Extension Apprenticeship Boost Initiative, was approved through Budget 2021 and provided further gross funding of $75.000 million for the ABI. This extended the programme to August 2022.

Subsequent impacts

In Budget 2022, an additional gross total of $229.533 million was approved through a separate Budget initiative, Apprenticeship Boost Initiative – Extending the programme. This funding enabled the continued delivery of the ABI until 31 December 2023.

In Budget 2023, an additional gross total of $76.522 million was approved through a separate Budget initiative, Continuing Support for Apprenticeships. This funding enabled the continued delivery of the ABI until 31 December 2024.

In Budget 2024, an additional gross total of $85.869 million was approved through a separate Budget initiative, Apprenticeship Boost Scheme Continuation. This funding enabled the continued delivery of the ABI until 30 June 2028. From 1 January 2025, Apprenticeship Boost will provide a $500 (exclusive of GST) per month subsidy to employers of eligible first-year apprentices only.

These are cross-Vote initiatives with Vote Tertiary Education. The policies regarding the initiatives are led by the Ministry of Education. However, the administration of the scheme is led by MSD.

See pages 127-135 for performance information relating to this initiative.

Budget 2022

Housing-related hardship assistance – Improving support for homeless, housing insecure and low-income New Zealanders

Gross total ($m): 524.970

This is an ongoing funding initiative which creates a new housing-related financial assistance programme (combining Housing Support Products and housing-related Advances/Recoverable Assistance Payments). It targets lower-income households so they can access and sustain housing in the private rental market by increasing housing-related financial assistance and expanding eligibility. Funding is required for the increased number and level of grants, new payments, IT and system changes. The programme will ensure one-off housing-related financial assistance is accessible, equitable 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.

The gross total reflects all funding associated with this initiative as at Budget 2022, until 30 June 2026.

See pages 124-126 for performance information relating to this initiative.

Budget 2023

Te Pae Tawhiti Programme – Continuing Work on the Ministry of Social Development’s Transformation

Gross total ($m): 183.000

This is a time-limited funding initiative to the end of 2024/25, which provides funding to continue MSD’s transformation programme, Te Pae Tawhiti, including beginning work on Horizon One of the programme.

The gross total consists of $20 million of new funding, $80 million in tagged contingency (which has all been drawn down) and $83 million of savings from within MSD’s baseline.

See pages 114-115 for performance information relating to this initiative.

Statement of Responsibility

Te Tauākī Kawenga

As Chief Executive of the Ministry of Social Development (MSD), I am responsible for:

- the preparation of MSD'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 MSD 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 MSD, 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 MSD.
- The financial statements fairly reflect the financial position of MSD as at 30 June 2024 and its operations for the year ended on that date.
- The forecast financial statements fairly reflect the forecast financial position of MSD as at 30 June 2025 and its operations for the year ending on that date.

Debbie Power | Chief Executive | Ministry of Social Development
30 September 2024

Independent auditor's report

Te pūrongo kaiōtita motuhake

To the readers of the Ministry of Social Development's annual report for the year ended 30 June 2024

The Auditor-General is the auditor of the Ministry of Social Development (the Ministry). The Auditor-General has appointed me, Ajay Sharma, 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 146 to 183, that comprise the statement of financial position, statement of commitments, statement of contingent liabilities and contingent assets as at 30 June 2024, 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 for the appropriations administered by the Ministry for the year ended 30 June 2024 on pages 68 to 145;
- the statements of expenses and capital expenditure of the Ministry for the year ended 30 June 2024 on pages 202 to 211; and
- the schedules of non-departmental activities which are managed by the Ministry on behalf of the Crown on pages 184 to 201 that comprise:
  - the schedules of assets; liabilities; commitments; and contingent liabilities and assets as at 30 June 2024;
  - the schedules of expenses; capital receipts; and revenue for the year ended 30 June 2024;
  - the statement of trust monies for the year ended 30 June 2024; and
  - the notes to the schedules that include accounting policies and other explanatory information.

Opinion

In our opinion:

- the financial statements of the Ministry:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2024; 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 for the appropriations administered by the Ministry for the year ended 30 June 2024:
  - presents fairly, in all material respects:
    - what has been achieved with the appropriation; and
    - the actual expenses or capital expenditure incurred as compared with the expenses or capital expenditure that were appropriated or forecast to be incurred; and
  - complies with generally accepted accounting practice in New Zealand.
- the statements of expenses and capital expenditure of the Ministry are presented, in all material respects, in accordance with the requirements of section 45A of the Public Finance Act 1989.
- the schedules of non-departmental activities which are managed by the Ministry on behalf of the Crown 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 2024; and
  - expenses; and revenue for the year ended 30 June 2024; and
  - the statement of trust monies for the year ended 30 June 2024.

Our audit was completed on 30 September 2024. 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.
- 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 2022 to 2026, Estimates and Supplementary Estimates of Appropriations 2023/24 for Vote Social Development, and the 2023/24 forecast financial figures included in the Ministry's 2022/23 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 for the appropriations administered by the Ministry.
- 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 2 to 62 and 213 to 282, 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 (including International Independence Standards) (New Zealand) (PES 1) issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests, in the Ministry.

Ajay Sharma | Audit New Zealand

On behalf of the Auditor-General

Wellington, New Zealand

Assessing our performance
Te aromatawai i ā mātou mahi

This section covers performance against our key performance indicators (KPIs) on pages 72-79 and Estimates performance measures on pages 80-145. The service performance information included in this section has been prepared in accordance with PBE FRS 48 Service Performance Reporting standard (unless stated otherwise) and meets our requirements under the Public Finance Act 1989 (PFA).

Whaikaha – Ministry of Disabled People (Whaikaha) is a departmental agency hosted within MSD. Financial reporting and performance measures for Whaikaha are contained in the MSD Annual Report 2024. All other annual reporting requirements for Whaikaha are covered in the Whaikaha Annual Report 2024.

Disclosure of judgements

Our approach to measuring performance

MSD's outcomes framework (see page 17) shows how we measure progress towards our strategic direction. It outlines how the changes to how we are delivering our services (through our strategic shifts) will impact on what we want to achieve (our outcomes). Our 10 impact statements unpack our outcomes into more specific medium-term goals, which collectively describe the impact we want to make.

In line with best-practice social sector evaluation, MSD measures its strategic performance from a client outcomes perspective. This approach was introduced to MSD through its social services commissioning following the Productivity Commission Report in May 2017 (available on The Treasury website). Now known as the 'outcomes' or 'impacts' approach, this is used across all MSD's strategic performance measures, where appropriate.

Selection of our KPIs

Our impact statements are measured using a suite of 15 KPIs.

Using an outcomes/impact approach, these KPIs cover the aspects of timeliness, accuracy, client experience, programme effectiveness and improved client outcomes. These aspects, together with equity and trust, are relevant to a public audience. The KPIs have been extensively tested with internal stakeholders and reference groups.

Selection of our Estimates performance measures

Our Estimates performance measures track delivery of the initiatives and services we are funded to provide against specific annual targets.

As with our KPIs, Estimates performance measures reflect improvement in clients' outcomes, where appropriate. For project-based initiatives, confirmation of an output (such as project completion or delivery of key milestones) has been selected to measure progress.

MSD sets standards for performance based on business group service objectives and priorities, balanced against a review of historic performance. These measures are reviewed annually. We aim to minimise changes to maintain comparability over time.

Critical reporting judgements

Performance measures have been selected for our key activities. In selecting measures, we have made judgements to determine which aspects of performance are most relevant and material to measure.

Given the size, diversity and complexity of our functions and services, we have grouped our material judgements under the key areas of service delivery, customer experience and policy advice.

Service delivery

MSD provides a range of services, including financial, employment and housing assistance, to help New Zealanders get the support they require. Our service delivery is measured using objective measures such as accuracy, timeliness and effectiveness of services and programmes.

Accurate and timely completion of benefit assessments

The main support MSD provides clients is through financial support and benefits that clients are eligible for. We have set measures for the accuracy and timeliness of our benefit entitlement processing (elements MSD can control) and end-to-end timeliness to receive financial benefit (outside MSD's control) to monitor whether we are delivering accurate and timely services to our clients.

We measure our accuracy and timeliness of benefit entitlement assessments through regular representative sampling of completed benefit entitlement applications and reviews to check that they have been processed correctly. Due to the complexity of benefit entitlement assessments, the 95 percent accuracy and five working day processing standards (for most benefit entitlements) are challenging targets but reflect our focus on lifting performance and getting it right for our clients.

For these measures, we use a randomised proportional sampling approach. The sample sizes are statistically representative and reflect the breakdown of work processed at the frontline.

Employment outcomes

We support people to prepare for, secure and sustain employment. Therefore, our measures have been selected to monitor both the immediate and longer-term effectiveness of our employment interventions.

We measure longer-term employment outcomes through the percentage of clients who remain off a main benefit for six months after receiving employment services and moving into work. The six-month period was selected as it balances monitoring of longer-term employment while allowing for timely reporting following MSD's intervention.

Housing support

MSD supports people in urgent need of a home and enables them to stay in a home. Stable housing has been associated with positive outcomes, including improved physical and mental health, lower crime rates and lower welfare dependency. Therefore, our measures monitor the time it takes for a person to be placed on the Public Housing Register and the effectiveness of Housing Support Products (HSPs).

HSPs provide financial assistance to vulnerable households to help them obtain or maintain a tenancy. The 90-day period, from receiving an HSP, allows us to assess how effective the housing support service has been at helping people beyond their immediate needs and into more sustainable housing.

Debt recovery

MSD is committed to providing assurance that those who receive payments are eligible for them. MSD's overall approach is to intervene early when concerns are raised, make it easy for clients to inform MSD of any changes in their circumstances and work with clients to arrange sustainable repayments (based on their situation).

The 60-day period for debt arrangements remaining in place is expected to provide a reasonable assessment of whether the repayment arrangement is sustainable based on the person's individual situation. Debt repayment takes a long time and impacts clients' circumstances. Sustainability of repayments is a key factor in successful debt recovery.

Customer experience

Customer experience surveys provide important insights into clients' and providers' experiences. They provide valuable qualitative information to supplement other quantitative measures and data.

MSD's Heartbeat survey

This survey is provided to clients immediately following their engagement with MSD and is the source of data for our client trust and experience KPIs. The survey was designed by in-house research experts and the survey questions are regularly reviewed for appropriateness. In 2023/24, over 931,000 clients received an invite to participate in the survey with a 10 percent response rate.

MSD surveys of stakeholders and clients

In addition to the Heartbeat survey, we also survey clients for feedback on service provision and progress towards outcomes of specific services we provide. We also survey our stakeholders to provide insights into their satisfaction with our work and their experience working with us.

MSD surveys are usually undertaken in written form or through conversations with the outcomes documented. The frequency of surveying stakeholders varies from quarterly to annually, and the surveying of our clients is typically undertaken at the conclusion of their interaction with us.

Provider surveys of clients

MSD works with providers to deliver services that improve outcomes for our clients and communities. Providers monitor the provision of these services and report to MSD monthly, quarterly or annually depending upon the nature of the service and contract arrangements. Provider surveys are a source of client experience information and provide insights into client satisfaction and progress towards outcomes. These surveys are typically jointly designed by providers and MSD and are reviewed regularly.

Policy advice

As part of assessing the performance of the policy advice and ministerial servicing provided, MSD surveys the Minister for Social Development and Employment (for advice received from MSD's policy business group and for the Regional Public Service Commissioners' leadership and co-ordination across the public service), the Minister for Child Poverty Reduction (for advice received from MSD's policy business group) and the Minister for Seniors (for advice received from the Office for Seniors).

The policy satisfaction surveys contain a common set of questions to assess the Minister's satisfaction with the services provided by the policy advice function. This is a standard survey used across departments that provide policy advice, in line with the Department of the Prime Minister and Cabinet's (DPMC) Policy Quality Framework. Other services are assessed with unique questionnaires tailored to the function being reviewed.

MSD also commissions an annual assessment of MSD's policy advice from the New Zealand Institute of Economic Research (NZIER). This technical review draws on experienced independent reviewers using common standards of what good quality policy advice looks like, in line with DPMC's Policy Quality Framework.

Additional information

MSD includes commentary, disclosures, notes and additional information to support the reader in understanding MSD's performance. We have applied the following criteria to ensure the most relevant and useful information is included:

- Commentary is provided for all KPIs and for Estimates performance measures which did not meet the standard or exceeded the standard by more than 10 percent (our threshold for significance). This commentary directly follows the relevant measure(s).
- Disclosures outline any significant changes to measures, standards or methodology from 2022/23. These follow the relevant tables.
- Notes are used to provide additional information and explanations to support the reader to understand our measures. These follow the relevant tables.
- Contextual tables provide information on volumes and scale to help the reader better understand our performance.

Our key performance indicators

Our outcomes framework (outlined on page 17) shows how we measure progress towards our strategic direction, Te Pae Tawhiti – Our Future.

We use 15 KPIs to collectively monitor progress towards our 10 impact statements. Nine impact statements have associated KPIs and the 10th is evaluated using a qualitative approach.

Our KPIs are aligned with our Statement of Intent 2022–2026. For each KPI we have signalled how we are progressing towards our desired direction, which is either:

- a long-term trend (for example, to increase client trust), or
- a minimum level of performance (for example, employment programme effectiveness is no less than 90 percent).

Our performance against these KPIs is outlined in Figure 14. In 2023/24, 12 of our 15 KPIs (80 percent) were judged to be on track. This compares with 10 out of 15 (67 percent) in 2022/23.

We assess progress against the 10th impact statement, 'improve our contribution to business and regional development', using a qualitative approach to demonstrate the range of ways we support and encourage business and regional development.

Our KPIs measure progress against our long-term impacts with performance intended to improve over time. We regularly review our KPIs and desired directions to ensure they align with our strategic direction and help us to monitor our progress towards our three outcomes.

Figure 14: Key performance indicators

Key

On track	✓
Off track	✗

Impact Statement	KPIs	Desired direction	2022/23	2023/24	On track
Improve sustainable employment outcomes	**Client outcome:** Sustainable exits into employment (Note 1)	No less than 55%	All clients: 62.7%	**All clients: 62.5%**	✓
			Māori: 53.9%	**Māori: 56.1%**	✓
			Pacific: 62.1%	**Pacific: 60.9%**	✓
	Client outcome measures the percentage of clients who have exited a main benefit during the calendar year for reason of employment, following an employment intervention, who did not access a main benefit again in the following six months. The direction for this KPI was on track. This shows that we are successfully using our employment tools and services to support clients to prepare for, find and stay in work.				
	Future reliance: Estimated average future years on a main benefit (Notes 2 and 4)	Decrease	All clients:13.6	**All clients: 13.4**	✓
			Māori: 16.2	**Māori: 16**	✓
			Pacific: 14.8	**Pacific: 14.3**	✓
	Future reliance measures the average number of future years each working-age main benefit client is estimated to be supported by a main benefit, until age 65. The result is generated by the Social Outcomes Model, which uses data from many agencies and economic assumptions to model how people move through the benefit system over their lifetime. The direction for this KPI was on track. The three main contributors to the decrease in the estimated average number of future years were: • exit rates from a main benefit being slightly higher than projected in last year's model • fewer people re-entering the benefit system than projected in last year's model • a slightly higher proportion of people having higher than projected earnings. All else being equal, people with higher employment earnings are less likely to need benefit support in the future.				
	Effectiveness: Employment programmes (Notes 3 and 4)	No less than 90%	Programmes: 94.5%	**Programmes: 94.4%**	✓
	Effectiveness measures the percentage of Employment Assistance (EA) programmes rated 'effective' or 'promising' using MSD's evaluation model. The direction for this KPI was on track. EA programmes aim to help people to prepare for, find and stay in work. Effectiveness is based on whether participants experience better outcomes as a direct result of participating in an intervention, compared with if they had not participated.				

<table>
<tr><th>Impact Statement</th><th>KPIs</th><th>Desired direction</th><th>2022/23</th><th>2023/24</th><th>On track</th></tr>
<tr><td rowspan="2">Improve people's readiness for work, including through training and education</td><td>Effectiveness: Benefit exits following work-readiness intervention (Note 1)</td><td>No less than 2,500 (Disclosure 1)</td><td>All clients: 2,919</td><td>All clients: 2,880</td><td>✓</td></tr>
<tr><td colspan="5">Effectiveness measures the number of main benefit exits during the calendar year for reason of employment, following a work-readiness intervention. Work-readiness interventions are external services that help remove barriers to a client to become ready for work.
The direction for this KPI was on track. This was due to MSD having an effective range of work-readiness interventions, such as Limited Service Volunteer courses, services which help clients gain skills to prepare them for work and support for clients to prepare for job applications.
However, wider labour market and economic conditions are negatively impacting overall main benefit exits into employment (see page 129).</td></tr>
<tr><td>Improve our contribution to business and regional development</td><td colspan="5">We assess progress using a qualitative approach to demonstrate the range of ways we support and encourage business and regional development. In 2023/24, MSD:
• funded an Enhanced Taskforce Green programme to help with clean-up and recovery across Northland and North Auckland following Cyclone Gabrielle (see page 33)
• operated Jobs and Skills Hubs to build community workforce capability and capacity to support New Zealand's construction and infrastructure sectors (see page 132)
• supported Regional Public Service Commissioners to provide leadership and co-ordination of public services including support for locally led recovery plans in regions affected by North Island weather events (see page 119).</td></tr>
</table>

Impact Statement	KPIs	Desired direction	2022/23	2023/24	On track
Improve support to people, whānau and families in hardship or insecure housing	**Effectiveness:** Housing support resolution (Notes 5, 6 and 7)	No less than 70%	All clients: 88%	**All clients: 90.3%**	✓
			Māori: 70.4%	**Māori: 71.8%**	✓
			Pacific: 75.2%	**Pacific: 77.5%**	✓

Effectiveness measures the percentage of people who are not on the Housing Register or have not received an Emergency Housing Special Needs Grant, 90 calendar days after receipt of a Housing Support Product (HSP). HSPs provide financial assistance to vulnerable households to help them obtain or maintain a tenancy.

The direction for this KPI was on track. This was due to changes in the scope of these supports, which has allowed MSD to help more people out of emergency and transitional housing and into private rentals or public housing.

Since implementation in March 2023, our HSPs for Residential Tenancies Act 1986 (RTA) agreements have provided better support to low-and middle-income households to access and sustain accommodation. We have achieved this by ensuring that financial support is adequate in the current market, promoting equity between beneficiaries and other low-income households and enabling more people to access support.

Impact Statement	KPIs	Desired direction	2022/23	2023/24	On track
	Timeliness: Time taken to be placed on the Public Housing Register (Note 5)	No more than 30 working days	All clients: 27	**All clients: 25**	✓
			Māori: 27	**Māori: 27**	✓
			Pacific: 27	**Pacific: 23**	✓

Timeliness measures the average working days to have a live application placed on the Public Housing Register from first requesting assistance with emergency housing.

The direction for this KPI was on track. This was due to the introduction of the emergency housing fast-track for families with dependent children.

On 30 April 2024, we implemented a priority one fast track on the Public Housing Register for families with children who have been in emergency housing for 12 weeks or longer. The fast track means this cohort is prioritised for public housing.

We have strengthened guidance for staff to ensure this cohort has a public housing assessment completed and is placed on the register efficiently.

We have continued to ensure that all clients in emergency housing who need a public housing assessment have this completed in a timely manner.

Impact Statement	KPIs	Desired direction	2022/23	2023/24	On track
Improve awareness of and access to support	**Timeliness:** End-to-end time to receive a financial benefit	Decrease	All clients: 14	**All clients: 14.1**	✗
			Māori: 12.9	**Māori: 12.9**	✗
			Pacific: 14	**Pacific: 13.9**	✓

Timeliness measures the average number of working days taken to pay working-age main benefit clients, from the first date of contact to the first date of payment. This includes the time taken for clients to provide all relevant information and the time taken by MSD to process the application.

The direction for this KPI was off track as the overall end-to-end time to receive a financial benefit has increased. However, the results for Māori clients remain unchanged, while those for Pacific clients have improved.

Timeliness continues to be adversely affected by the time taken for clients to provide their information. To support our clients, we offer a range of channels for submitting information. This includes dropping information into local service centres, uploading documents to MyMSD or emailing information to us. We regularly assess the usability of MyMSD and have made recent improvements to its accessibility and functionality. MSD continues to achieve its internal processing standard of five working days once all information is received (see page 130).

Impact Statement	KPIs	Desired direction	2022/23	2023/24	On track
Improve effectiveness of support	**Accuracy:** Accurate benefit entitlement assessments	No less than 95%	All clients: 82.7%	**All clients: 77.6%**	✗
			Māori: 82.4%	**Māori: 74.8%**	✗
			Pacific: 80.4%	**Pacific: 74.1%**	✗

Accuracy measures the percentage of working-age benefit entitlement assessments that are processed correctly based on a representative sample of completed applications.

The direction for this KPI was off track. This was due to case complexity, staff having to navigate multiple frontline systems and the need to strengthen our internal capability and quality supports.

MSD has placed a focus on accuracy with a dedicated team working at a regional level with our staff and managers. Designated Capability Developers will work with each service line to strengthen our quality systems, support us to identify areas for improvement and provide targeted capability development across service delivery.

Impact Statement	KPIs	Desired direction	2022/23	2023/24	On track
	Debt: Average overpayment debt (Note 8)	Decrease	All clients: $2,850	**All clients: $2,948**	✗
			Māori: $3,248	**Māori: $3,370**	✗
			Pacific: $3,296	**Pacific: $3,389**	✗

Debt measures the average amount of overpayment debt per client (current and former).

The direction for this KPI was off track. This means that more debt was established than recovered. Individual financial circumstances impact on clients' ability to make repayments, which means that once debt is established it can take a while to recover.

MSD is aware of the impact that debt has on clients' wellbeing. We are working to ensure that less debt is generated by making it easier for clients to declare income through online channels and helping clients understand their obligations to inform MSD of any changes in their circumstances. This includes exploring improvements, such as reviewing data sharing arrangements, with the purpose of reducing overpayment debt creation for clients. Where debt exists, we work with clients to encourage and support manageable and sustainable repayment arrangements.

Impact Statement	KPIs	Desired direction	2022/23	2023/24	On track
Improve how we connect and partner	**Partner experience:** Partnering for youth development (Note 9)	No less than 80%	Providers: 95%	**Providers: 98.5%**	✓
	Partner experience measures the percentage of providers who report that interacting with the Ministry of Youth Development (MYD) was a 'good' or 'very good' experience. The direction for this KPI was on track. The positive rating reflects MYD's increased relational approach, which includes: • quality, early and consistent communication • timely support and guidance • field visits and understanding of provider perspectives.				
Improve the safety and strength of people, whānau, families and communities	**Client experience:** Satisfaction with services addressing family violence	No less than 80%	All clients: 96.6%	**All clients: 95.4%**	✓
	Client experience: Effectiveness of services addressing sexual violence	No less than 80%	All clients: 91.4%	**All clients: 88.6%**	✓
	These **client experience** KPIs measure satisfaction and effectiveness of services addressing family violence and sexual violence. The direction for both KPIs was on track. This shows that providers are delivering services that victims are satisfied with and reflects the valuable support provided through these services.				
Improve equity of outcomes, particularly for Māori	**Equity:** Ethnicity cohort data across our KPIs (Māori and Pacific peoples initially)	Increase	Māori: 4/9 Pacific: 4/9	**Māori: 6/9** **Pacific: 7/9**	✓ ✓
	Equity is measured by the number of KPIs that are on track for Māori and Pacific peoples, where ethnicity cohort data is available. Ethnicity data was available for nine of our KPIs this year. The direction for this KPI was on track for both ethnicity cohorts.				

Impact Statement	KPIs	Desired direction	2022/23	2023/24	On track
Improve people's trust and confidence in the welfare system	**Client trust:** Net trust score (scored from -100 to +100)	Increase	All clients: 43.3	**All clients: 46.3**	✓
			Māori: 34.1	**Māori: 36.4**	✓
			Pacific: 45	**Pacific: 47.8**	✓
	Client experience: Overall service score (scored from 0 to 10)	Increase	All clients: 8	**All clients: 8.1**	✓
			Māori: 7.8	**Māori: 7.9**	✓
			Pacific: 7.9	**Pacific: 8.1**	✓
	Client trust and experience is measured through our Heartbeat survey, which is sent to clients following their engagement with MSD (see page 70). The direction for both KPIs was on track. This shows that clients trust, and have positive interactions with, MSD.				

Disclosure 1: The desired direction for this KPI was increased in 2023/24 to better align with performance trends.

Note 1: This KPI captures clients who have exited a main benefit between 1 January 2023 and 31 December 2023.

Note 2: 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 clients.

Note 3: Employment Assistance programmes have the objective of helping people prepare for, find and stay in work. Effectiveness is measured against up to five outcomes: net income earned, time in employment, highest qualification gained, time in corrections services and income support expenditure. Of the programmes that MSD is able to evaluate, 'Effective' indicates that the intervention has significant positive overall impacts on one or more outcomes, and no negative impacts for any other outcome. 'Promising' indicates that the trend in impacts across outcomes suggests the intervention is expected to have a significant positive overall impact over the medium to long term.

Note 4: These results are not official statistics. They have been created for research purposes from the Integrated Data Infrastructure (IDI), which is carefully managed by Statistics New Zealand. For more information about the IDI please visit: www.stats.govt.nz/integrated-data/. The results are based in part on tax data supplied by Inland Revenue to Stats NZ under the Tax Administration Act 1994 for statistical purposes. Any discussion of data limitations or weaknesses is in the context of using the IDI for statistical purposes and is not related to the data's ability to support Inland Revenue's core operational requirements.

Note 5: The Public Housing Register is a record of New Zealanders who are in need of public housing and comprises a Housing Register and a Transfer Register. The Housing Register is prioritised by need and consists of public housing applicants who have been assessed as being eligible. The Transfer Register is made up of people already in public housing who have requested and are eligible for a transfer to another property.

Note 6: The Emergency Housing Special Needs Grant helps individuals and families with the cost of staying in short-term accommodation if they are unable to access a contracted transitional housing place.

Note 7: To avoid double counting, people who may have gone onto the Housing Register and moved into public housing (or emergency housing) in the 90 calendar days after receipt of an HSP will be counted only as being in public housing or emergency housing.

Note 8: Overpayment debt is established when a person has received payments to which they were not entitled. Additionally, in some cases, overpayments are identified as a result of receiving new client information from other Crown agencies. When MSD identifies an overpayment, it is reviewed to determine whether the debt is recoverable as set out in section 362 of the Social Security Act 2018 and regulation 207 of the Social Security Regulations 2018. As at 30 June 2024, there were 433,422 current and non-current clients with overpayment debt.

Note 9: Data for this measure is collected through quarterly provider reporting. The ratings are 'very bad', 'bad', 'neither bad nor good', 'good' or 'very good'.

Our Estimates performance measures

This section reports on what we achieved against our Estimates performance measures and standards, as outlined in The Estimates of Appropriations and amended by The Supplementary Estimates of Appropriations for the 2023/24 financial year. These documents are available on The Treasury website.

We review our measures and standards each year to ensure they remain fit for purpose, reflect the services we are funded to provide and comply with technical guidance. The changes made in 2023/24 include:

- adding measures for new appropriations or new initiatives
- retiring measures that are no longer fit for purpose, have been replaced or were for appropriations that have ended
- adjusting measures or performance standards to reflect changes in performance or our operating environment.

In 2023/24, 71 of the 85 MSD Estimates performance measures (83.5 percent) met or exceeded standard. This compares with 61 out of 76 (80.3 percent) in 2022/23.

In 2023/24, seven of the 12 Whaikaha Estimates performance measures (58.3 percent) met or exceeded standard. This compares with eight out of 12 (66.7 percent) in 2022/23. See the Whaikaha Annual Report 2024 for more information.

The 2023/24 actual results in this section have been audited. Actuals for 2022/23 have been included, where available, for comparison.

The 'expenditure appropriated, reconciled to operating expenses' table on page 183 of the financial statements provides a reconciliation between the expenses outlined in the financial statements section and the total goods and services costs reported in this section.

Status indicators

Met or exceeded standard	✓
Did not meet the standard	✗
Not available/not assessed	**N/A**

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 Service 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.

Performance information

Measure	Standard 2023/24	Actual 2022/23	Actual 2023/24	Status
The percentage of card entitlement assessments completed accurately will be no less than (Note 1)	95%	97.2%	97.6%	✓
The percentage of card entitlement assessments completed within five working days (Note 2) will be no less than	90%	99%	98.1%	✓
The standard was significantly exceeded. This was due to continued efforts to improve workflow engagement practices and ensure consistent prioritisation of clients' needs.				

Note 1: Accuracy measures the percentage of all client assessments that are processed correctly.

Note 2: The timeframe is calculated from the day all information required to complete an assessment is received to the day the client is advised of the outcome.

The following information is provided for context:

	2023/24
Number of card entitlement assessments sampled	1,510

Financial performance

Financial performance (Figures are GST exclusive)	2022/23 Actual $000	2023/24 Budgeted $000	2023/24 Revised $000	2023/24 Actual $000
Revenue				
Crown	8,070	7,635	7,962	7,962
Department	-	-	-	-
Other	-	-	-	-
Total Revenue	**8,070**	**7,635**	**7,962**	**7,962**
Total Expense	**7,418**	**7,635**	**7,962**	**7,259**
Net Surplus/(Deficit)	**652**	**-**	**-**	**703**

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 non-financial performance

In 2023/24, MSD provided a range of corporate support services to a number of other agencies, including:

- Whaikaha – Ministry of Disabled People
- the Social Wellbeing Agency (Social Investment Agency from 1 July 2024)
- the Ministry of Housing and Urban Development
- the Children and Young People's Commission.

Services provided varied by agency and included IT, finance, human resources, legal, property and facilities, information privacy and security, health and safety, and security. These arrangements have ensured the provision of quality and efficient corporate support services to these agencies.

In 2018, MSD and Oranga Tamariki agreed a plan to progressively move corporate services provided by MSD into Oranga Tamariki. This transfer of services was completed in 2022/23. 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.

An exemption to reporting was granted under section 15D(1) of the PFA as this appropriation relates exclusively to outputs supplied by MSD to other departments.

Financial performance

Financial performance (Figures are GST exclusive)	2022/23 Actual $000	2023/24 Budgeted $000	2023/24 Revised $000	2023/24 Actual $000
Revenue				
Crown	-	-	-	-
Department	16,956	19,855	17,462	17,230
Other	-	-	-	-
Total Revenue	**16,956**	**19,855**	**17,462**	**17,230**
Total Expense	**16,956**	**19,855**	**17,462**	**17,230**
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.

Performance information

Measure	Standard 2023/24	Actual 2022/23	Actual 2023/24	Status
The percentage of products and services provided that consistently reflect the Quality Framework principles will be no less than (Note 1)	90%	98.6%	94.3%	✓
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 will be no less than (Note 2)	80%	93%	91.9%	✓
The standard was significantly exceeded. Our processes to ensure teams are engaging well with stakeholders, especially in the initial commissioning and planning stages of work, means we continue to deliver quality products and support effective decision-making.				
Average forecast variances for Vote Social Development Benefits or Related Expenses (BoREs) in the 12 months to June will be within the range of (Note 3)	+/-2%	0.39%	0.61%	✓

Note 1: A sample of data and insights products produced (including reports, briefings, analysis, advice, tools, curated data and responses to Official Information Act requests/Parliamentary Questions/media) are assessed against our internal Quality Framework. The principles of the framework are:

- robust commissioning before starting a piece of work
- getting methodology and process right
- delivering to business needs
- building collective knowledge and capability
- an ongoing stakeholder focus
- working ethically and with integrity
- embedding quality in team culture.

Note 2: Internal stakeholders are surveyed every quarter using pulse-check survey results, one-to-one conversations or retrospectives. The recipients of the survey are the end users of a cross-section of data and insights products.

Note 3: This reflects forecasting accuracy and measures the average variance between forecast and actual monthly BoREs spend. BoREs are a type of appropriation that cover transfers of resource from the Crown, usually to individuals, where nothing is expected directly in return (for example, student allowances).

The following information is provided for context:

	2023/24
Sample	
Number of products and services sampled	1,897
Survey	
Number of stakeholders surveyed	564
Survey response rate	167
Publications	
Key publication documents on MSD's external website (Note 1)	95
Number of data requests	2,133

Note 1: 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 MSD website. This consists of:

- government statistics
- reports about the benefit system or labour market
- reports about research
- reports that evaluate the effectiveness of our services.

Financial performance

Financial performance (Figures are GST exclusive)	2022/23 Actual $000	2023/24 Budgeted $000	2023/24 Revised $000	2023/24 Actual $000
Revenue				
Crown	40,010	44,800	48,530	48,530
Department	-	-	-	-
Other	-	-	-	-
Total Revenue	**40,010**	**44,800**	**48,530**	**48,530**
Total Expense	**39,765**	**44,800**	**48,530**	**40,032**
Net Surplus/(Deficit)	**245**	**-**	**-**	**8,498**

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.

Performance information

Measure	Standard 2023/24	Actual 2022/23	Actual 2023/24	Status
The number of new businesses joining the SuperGold Card programme will be no less than (Note 1)	375	501	487	✓
The standard was significantly exceeded. This was due to the success of our SuperGold business recruitment campaign in October/November 2023, which reached over 2,000 businesses and resulted in more than 150 new business sign-ups. This, combined with supplementary recruitment activity throughout the year, ensured the standard was exceeded.				

Note 1: The SuperGold Card is a free discounts and concessions card available to all New Zealanders aged 65 years or over, as well as persons who otherwise meet the eligibility criteria in regulation 287 of the Social Security Regulations 2018.

The following information is provided for context:

	2023/24
Providers offering concessions/discounts on SuperGold Cards (at 30 June) (Note 1)	5,957
Number of operating business outlets (at 30 June)	10,361

Note 1: Although new businesses join the SuperGold programme annually, there are also businesses that leave/are removed from the programme, mainly because the business has closed.

Financial performance

Financial performance (Figures are GST exclusive)	2022/23 Actual $000	2023/24 Budgeted $000	2023/24 Revised $000	2023/24 Actual $000
Revenue				
Crown	1,705	1,710	1,723	1,723
Department	-	-	-	-
Other	-	-	-	-
Total Revenue	**1,705**	**1,710**	**1,723**	**1,723**
Total Expense	**1,506**	**1,710**	**1,723**	**1,398**
Net Surplus/(Deficit)	**199**	**-**	**-**	**325**

Output expense: Establishing Whaikaha – Ministry of Disabled People

Appropriation Minister: Minister for Disability Issues

Scope statement: This appropriation is limited to establishing, and managing the transition to, Whaikaha – Ministry of Disabled People.

Intention statement: This appropriation is intended to achieve the establishment of Whaikaha – Ministry of Disabled People to provide leadership, stewardship and co-ordination of the cross-government disability system.

Performance information

Measure	Standard 2023/24	Actual 2022/23	Actual 2023/24	Status
MSD continues to support the establishment of Whaikaha – Ministry of Disabled People with transitional services to 30 June 2024 (Disclosure 1)	Achieved	New measure	Achieved	✓
The establishment phase for Whaikaha has been completed and the provision of transitional services ended by 30 June 2024.				

Disclosure 1: This new time-bound deliverable measure was added in 2023/24 to reflect the provision of transitional services to Whaikaha. This appropriation expired on 30 June 2024.

In October 2021, the Government announced that Whaikaha would be established as a departmental agency hosted by MSD. Throughout 2021/22, MSD led the Establishment Unit to set up Whaikaha, which was launched on 1 July 2022.

Since 2022/23, we have delivered a range of transitional services to support the early Whaikaha operation, such as health and safety, communications, ministerial and executive services, and legal services. These services have transferred to Whaikaha progressively over 2023/24. As the host agency, we also provide Whaikaha with some ongoing corporate support services such as finance, human resources, IT, workplace services, and emergency management support.

All work programmes were transferred to Whaikaha by 30 June 2023.

More information can be found in the Whaikaha Annual Report 2024, which is appended to this report.

Financial performance

Financial performance (Figures are GST exclusive)	2022/23 Actual $000	2023/24 Budgeted $000	2023/24 Revised $000	2023/24 Actual $000
Revenue				
Crown	4,113	544	544	544
Department	-	-	-	-
Other	-	-	-	-
Total Revenue	**4,113**	**544**	**544**	**544**
Total Expense	**1,980**	**544**	**544**	**-**
Net Surplus/(Deficit)	**2,133**	**-**	**-**	**544**

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, and expires on 30 June 2024. A new multi-year appropriation replaces this one from 2024/25.

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.

Performance information

Measure	Standard 2023/24	Actual 2022/23	Actual 2023/24	Status
The number of assessments completed during the year will be no less than	1,000	707	1,031	✓
The percentage of claimants who receive a settlement offer within 3 months following their decision to choose a rapid payment will be no less than (Disclosure 1)	95%	New measure	97.8%	✓
The percentage of claimants who report that they agree or strongly agree that they felt respected in their interaction with Historic Claims, and that their options were clearly communicated to them, should be no less than (Disclosure 2 and Note 1)	80%	67%	77.5%	✗

The standard was not met. Comments from some claimants indicated that the intention of the survey statements was not clear and were interpreted differently to what was intended.

To address this, we have amended the survey instructions to provide clearer information about the survey and asked staff to engage with claimants and encourage them to respond. Early indications are that these changes have been successful with more survey responses received in quarter four (April to June 2024) and claimant comments showing better understanding of the survey statements.

Disclosure 1: This new measure was added in 2023/24 to replace the previous timeliness measure. The methodology has been improved for greater transparency of performance.

Disclosure 2: The standard was set through The Supplementary Estimates of Appropriations 2023/24.

Note 1: The survey focuses on the engagement claimants have with staff about their assessment options (such as whether to choose a rapid payment or individualised assessment). The measure result is the percentage of total survey respondents that agree or strongly agree that they felt respected in their interaction with Historic Claims, and they also agree, strongly agree, or neither agree nor disagree that their options were clearly communicated to them.

The following information is provided for context:

	2023/24
Claims	
Claims received	897
Claims closed	925
Claims in process at 30 June	3,078
Survey	
Number of claimants surveyed	531
Survey response rate	15.1%

Financial performance

Financial performance (Figures are GST exclusive)	2022/23 Actual $000	2023/24 Budgeted $000	2023/24 Revised $000	2023/24 Actual $000
Revenue				
Crown	23,602	76,400	78,307	78,307
Department	-	-	-	-
Other	-	-	-	-
Total Revenue	**23,602**	**76,400**	**78,307**	**78,307**
Total Expense	**23,602**	**76,400**	**78,307**	**48,674**
Net Surplus/(Deficit)	**-**	**-**	**-**	**29,633**

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.

Performance information

Measure	Standard 2023/24	Actual 2022/23	Actual 2023/24	Status
The percentage of entitlement assessments for payment of entitlements to older people completed accurately will be no less than (Note 1)	95%	92.5%	92.7%	Not met
The standard was not met. While timeliness of services provided to seniors has improved significantly this year, accuracy has remained in line with last year's result and continues to be below the performance standard. The accuracy result was mainly driven by assessment volumes. To address this we are focusing on accuracy with a dedicated team working at regional level with our staff and managers. We have also added a new checking framework to identify trends and provide support for staff assessing entitlements. A seniors knowledge base will also be built, which we expect will create consistency and increase accuracy. We continue to observe increasing demand from our older population, who are experiencing multiple and compounding needs, along with significant hardship. This cohort continues to grow which increases demand for our services.				
The percentage of entitlement assessments for payment of entitlements to older people finalised within standard timeframes will be no less than (Note 2)	90%	78.5%	92.3%	Met

Note 1: Accuracy measures the percentage of client assessments that are processed correctly.

Note 2: Standard timeframes are:

- six working days for most entitlement assessments for payment in New Zealand
- 20 working days for residential services assessments for payment in New Zealand
- 20 working days for all entitlement assessments for payment overseas.

The timeframe is measured from the day all required information is received to the day the client is advised of the outcome.

The following information is provided for context:

	2023/24
Number of New Zealand Superannuation applications and reviews sampled	3,983
Total number of New Zealand Superannuation applications processed	68,004
Number of people receiving New Zealand Superannuation (at 30 June)	912,420

Financial performance

Financial performance (Figures are GST exclusive)	2022/23 Actual $000	2023/24 Budgeted $000	2023/24 Revised $000	2023/24 Actual $000
Revenue				
Crown	59,147	69,352	61,890	61,890
Department	-	-	-	-
Other	-	-	-	-
Total Revenue	**59,147**	**69,352**	**61,890**	**61,890**
Total Expense	**57,014**	**69,352**	**61,890**	**60,636**
Net Surplus/(Deficit)	**2,133**	**-**	**-**	**1,254**

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.

Te Kāhui Kāhu – Social Services Accreditation is responsible for responding to notifications about unauthorised persons practising/presenting themselves as social workers. The Social Workers Registration Board is responsible for social worker registration and responding to complaints about authorised social workers.

Performance information

Measure	Standard 2023/24	Actual 2022/23	Actual 2023/24	Status
The percentage of stakeholders surveyed (Note 1) 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%	76%	83.3%	✓
The standard was significantly exceeded. This reflects the quality of services provided on behalf of the Social Workers Registration Board.				

Note 1: Stakeholders may include Ministers, Social Workers Registration Board, Aotearoa New Zealand Association of Social Workers, educators, employers and those who alleged that offending occurred.

The following information is provided for context:

	2023/24
Survey	
Number of stakeholders surveyed	19
Survey response rate	42%

Financial performance

Financial performance (Figures are GST exclusive)	2022/23 Actual $000	2023/24 Budgeted $000	2023/24 Revised $000	2023/24 Actual $000
Revenue				
Crown	360	100	247	247
Department	-	-	-	-
Other	-	-	-	-
Total Revenue	**360**	**100**	**247**	**247**
Total Expense	**113**	**100**	**247**	**112**
Net Surplus/(Deficit)	**247**	**-**	**-**	**135**

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.

Performance information

Measure	Standard 2023/24	Actual 2022/23	Actual 2023/24	Status
The percentage of cases of suspected fraud which are resolved through non-investigative intervention (Note 1) will be no less than	60%	79.5%	86.7%	✓
The standard was significantly exceeded. This was influenced by fewer investigations being completed as a proportion of overall cases. This was due to a range of factors including the need to reduce a backlog of cases which had built up while resources were diverted to the ongoing management of wage subsidy investigations. These investigations are reducing over time. We have prioritised cases to be managed though non-investigative responses while focusing investigations on the most serious cases of fraud. These can be more complex and require more time and resources to complete.				
The percentage of fraud cases responded to through an investigations process that result in an entitlement change will be no less than	55%	54.6%	60.2%	✓
The percentage of non-current debt arrangements that remain in place for at least 60 days (Note 2) will be no less than	66%	62.5%	61.2%	✗
The standard was not met. This was due to wider ongoing economic conditions impacting on non-current clients' abilities to sustain their debt repayment arrangements. We continue to refer non-current client debtors to services and supports relevant to their individual situations. As part of this, we delivered a refresh of our debt and financial capability services information on the Work and Income website in late 2023, and piloted nudge text messaging to maintain engagement when a debtor misses a regular payment.				

Note 1: MSD has a three-tier approach to responding to fraud allegations.

The first two tiers are non-investigative and comprise:

- 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 debt for a client in some situations.

The third tier is:

- investigation – gathering information and acting on serious client integrity issues, which could result in an overpayment and in the most serious cases prosecution. Prosecutions are considered in line with MSD's Prosecution Policy and the Solicitor General's Prosecution Guidelines, taking into account the full circumstances of each individual case.

Note 2: Non-current debt arrangements refer to debts that are still to be repaid by people who no longer receive financial assistance from Work and Income (non-current clients). MSD works with non-current clients to arrange a rate of repayment that is sustainable based on their income levels and situation after they exit the benefit.

The following information is provided for context:

	2023/24
Integrity intervention cases completed	222,909
Cases completed by Client Service Integrity	5,750
Non-current debtors	242,198
Completed prosecutions (excludes wage subsidy)	36

Financial performance

Financial performance (Figures are GST exclusive)	**2022/23 Actual $000**	**2023/24 Budgeted $000**	**2023/24 Revised $000**	**2023/24 Actual $000**
Revenue				
Crown	54,622	61,118	58,618	58,618
Department	-	-	-	-
Other	-	-	-	-
Total Revenue	**54,622**	**61,118**	**58,618**	**58,618**
Total Expense	**53,444**	**61,118**	**58,618**	**57,506**
Net Surplus/(Deficit)	**1,178**	**-**	**-**	**1,112**

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.

Performance information

Measure	Standard 2023/24	Actual 2022/23	Actual 2023/24	Status
The percentage of entitlement assessments for a student loan completed accurately (see Note 1) will be no less than	95%	99.9%	100%	✓
The percentage of initial entitlement assessments for a student loan completed within five working days (see Note 2) will be no less than	95%	100%	100%	✓

Note 1: This refers to the final assessment, when all information required to assess has been received, which advises the student of the outcome of their application. Accuracy measures the percentage of client assessments that are processed correctly.

Note 2: The initial entitlement assessment is the first assessment to occur on the application – it does not include any subsequent action required, such as where the application is incomplete and further information is received. 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:

	2023/24
Number of Student Loan assessments sampled	689
Student Loan applications processed	161,076

Financial performance

Financial performance (Figures are GST exclusive)	2022/23 Actual $000	2023/24 Budgeted $000	2023/24 Revised $000	2023/24 Actual $000
Revenue				
Crown	23,817	23,257	24,730	24,730
Department	-	-	-	-
Other	-	-	-	-
Total Revenue	**23,817**	**23,257**	**24,730**	**24,730**
Total Expense	**23,639**	**23,257**	**24,730**	**23,934**
Net Surplus/(Deficit)	**178**	**-**	**-**	**796**

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.

Performance information

Measure	Standard 2023/24	Actual 2022/23	Actual 2023/24	Status
The percentage of entitlement assessments for a student allowance completed accurately (see Note 1) will be no less than	95%	99.3%	98.4%	✓
The percentage of initial entitlement assessments for a student allowance completed within five working days (see Note 2) will be no less than	95%	100%	99.6%	✓

Note 1: This refers to the final assessment, when all information required to assess has been received, which advises the student of the outcome of their application. Accuracy measures the percentage of client assessments that are processed correctly.

Note 2: The initial entitlement assessment is the first assessment to occur on the application – it does not include any subsequent action required, such as where the application is incomplete and further information is required. 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:

	2023/24
Number of Student Allowance assessments sampled	689
Student Allowance applications processed	81,493

Financial performance

Financial performance (Figures are GST exclusive)	2022/23 Actual $000	2023/24 Budgeted $000	2023/24 Revised $000	2023/24 Actual $000
Revenue				
Crown	23,841	23,380	24,753	24,753
Department	-	-	-	-
Other	-	-	-	-
Total Revenue	**23,841**	**23,380**	**24,753**	**24,753**
Total Expense	**23,644**	**23,380**	**24,753**	**23,939**
Net Surplus/(Deficit)	**197**	**-**	**-**	**814**

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 Ministers 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.

Performance information

Measure	Standard 2023/24	Actual 2022/23	Actual 2023/24	Status
Crown Entity Monitoring The percentage of 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 (Disclosure 1)	95%	92%	100%	✓
Ministerial and Executive Services 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 (Note 1) will be no less than	95%	99.3%	99.7%	✓

Disclosure 1: The standard has been reduced to a more sustainable long-term standard.

Note 1: The quality standard is that a draft provided for the Minister's signature is factually accurate, meets all legislative requirements and contains no avoidable errors. Agreed timeframes are:

- ministerial correspondence replies completed within 20 working days of receipt by MSD, 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 days prior to the statutory time limit, unless otherwise agreed.

The following information is provided for context:

	2023/24
Crown Entity Monitoring	
Crown entities monitored	3
Ministerial and Executive Services	
Ministerial correspondence replies drafted	361
Written Parliamentary Questions replies drafted	1,210
Official Information Act replies drafted	36
Information requests from Ministers' offices completed	1,460
On behalf of MSD's Chief Executive	
Official Information Act request replies	1,208
Letters (including electronic)	1,311

Summary of non-financial performance

The role of this appropriation is to support good governance, accountability and transparency.

Crown Entity Monitoring

MSD is responsible for providing advice and support to Ministers on the performance of three statutory Crown entities. We also assist Ministers in making board appointments for these three Crown entities and four other entities (a board and three statutory tribunals).

In total, we are responsible for seven entities, summarised in the table below:

Monitoring and Appointments (Crown Entities)	Appointments (other entities)
Children and Young People's Commission	South Auckland Social Wellbeing Board
New Zealand Artificial Limb Service	Social Security Appeal Authority
Social Workers Registration Board	Social Workers Complaints and Disciplinary Tribunal
	Student Allowance Appeal Authority

Ministerial and Executive Services

In 2023/24, MSD:

- received 5,951 Review of Decision applications
- resolved 6,188 review applications, of which 75 percent of cases were resolved prior to progressing to a formal Benefits Review Committee
- held 1,484 Benefits Review Committee hearings in which 1,249 cases were upheld (84 percent), 81 were partially upheld (5 percent) and 147 were overturned (10 percent). The remaining matters were jurisdictional and did not proceed.

MSD responds to complaints received through the Office of the Ombudsman and the Office of the Privacy Commissioner.

In 2023/24, MSD received 113 notifications of complaints through the Office of the Ombudsman, 98 of which were under the Ombudsmen Act 1975, while 15 were under the Official Information Act 1982.

In 10 cases, the Ombudsman formed an adverse opinion of MSD's actions. In 81 cases, the matter was not formally investigated by the Ombudsman.

MSD also received 16 notifications of complaints through the Office of the Privacy Commissioner. In one case, a settlement was agreed. In 13 cases, the matter was closed by the Privacy Commissioner.

Financial performance

Financial performance (Figures are GST exclusive)	**2022/23 Actual $000**	**2023/24 Budgeted $000**	**2023/24 Revised $000**	**2023/24 Actual $000**
Revenue				
Crown	5,285	6,268	4,089	4,089
Department	-	-	-	-
Other	-	-	-	-
Total Revenue	**5,285**	**6,268**	**4,089**	**4,089**
Total Expense	**4,423**	**6,268**	**4,089**	**3,960**
Net Surplus/(Deficit)	**862**	**-**	**-**	**129**

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.

Performance information

Measure	Standard 2023/24	Actual 2022/23	Actual 2023/24	Status
The score for the Minister for Child Poverty Reduction'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 (Disclosure 1 and Note 1)	4	4.76	4.9	✓
The score for the Minister for Social Development and Employment'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 (Note 1)	4	4.79	4.54	✓
This explanation relates to the ministerial satisfaction measures above. The standard was significantly exceeded for both measures. This reflects the quality of services provided by MSD's policy function.				
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 (Disclosure 2 and Note 2)	3.5	3.54	3.63	✓
In relation to the quality of policy advice, the distribution of scores for policy papers assessed using the common Policy Quality Framework				
• Score 4 or higher, no less than	55%	33%	42%	✗
• Score 3 or higher, no less than	90%	100%	100%	✓
• Score 2.5 or lower, no more than	10%	0%	0%	✓
This explanation relates to the quality of policy advice measures above. The overall consistency of papers improved this year, with 100 percent of papers scoring three or higher and the overall average score increasing from 2022/23. The percentage of papers scoring four or higher also increased but did not meet the standard.				

Disclosure 1: The Child Wellbeing and Poverty Reduction Group and associated measure were transferred from DPMC to MSD on 25 April 2024. The 2022/23 result was published by DPMC in its Annual Report 2023.

Disclosure 2: The standard was reduced to align with other government departments.

Note 1: The incumbent Minister at the end of the financial year completed the satisfaction survey for their time in the role. For 2023/24, this was the Hon Louise Upston as both the Minister for Child Poverty Reduction and as the Minister for Social Development and Employment, from 27 November 2023.

Note 2: A sample of MSD's policy papers are assessed by NZIER.

The following information is provided for context:

	2023/24
Cabinet papers, briefings and aide memoires provided by MSD's Policy business group	351

Financial performance

Financial performance (Figures are GST exclusive)	2022/23 Actual $000	2023/24 Budgeted $000	2023/24 Revised $000	2023/24 Actual $000
Revenue				
Crown	22,591	22,531	21,790	21,790
Department	-	-	-	-
Other	-	-	-	-
Total Revenue	**22,591**	**22,531**	**21,790**	**21,790**
Total Expense	**20,398**	**22,531**	**21,790**	**20,868**
Net Surplus/(Deficit)	**2,193**	**-**	**-**	**922**

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.

Performance information

Measure	Standard 2023/24	Actual 2022/23	Actual 2023/24	Status
The percentage of Veterans' Pension entitlement assessments completed accurately will be no less than (Note 1)	95%	96.8%	96%	✓
The percentage of Veterans' Pension entitlement assessments completed within timeframes (Note 2) will be no less than	90%	90.8%	92%	✓

Note 1: Accuracy measures the percentage of client assessments that are processed correctly.

Note 2: Standard timeframes are:

- six working days for most Veterans' Pension entitlement assessments for payment in New Zealand
- 20 working days for veterans' residential services assessments for payment in New Zealand
- 20 working days for Veterans' Pension entitlement assessments for payment overseas.

The timeframe is calculated from the day all information required to complete an assessment is received to the day the client is advised of the outcome.

The following information is provided for context:

	2023/24
Number of Veterans' Pension applications and reviews sampled	840
Applications for Veterans' Pension	264
Veterans' Pension clients at 30 June	4,893

Financial performance

Financial performance (Figures are GST exclusive)	2022/23 Actual $000	2023/24 Budgeted $000	2023/24 Revised $000	2023/24 Actual $000
Revenue				
Crown	772	744	783	783
Department	-	-	-	-
Other	-	-	-	-
Total Revenue	**772**	**744**	**783**	**783**
Total Expense	**714**	**744**	**783**	**700**
Net Surplus/(Deficit)	**58**	**-**	**-**	**83**

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, are highly valued and recognised as an integral part of families and communities, and by supporting greater advocacy of their issues by Ministers.

Performance information

Measure	Standard 2023/24	Actual 2022/23	Actual 2023/24	Status
The average service quality rating for support provided to the Minister for Seniors (Note 1)	3.5	4.5	4	✓
The percentage of stakeholders who report being 'satisfied' or 'very satisfied' with the level of engagement of the Office for Seniors (Note 2) will be no less than	75%	56%	76.5%	✓
The Minister for Seniors has endorsed a plan by 30 June 2024 that sets out a process for a review of the Better Later Life Action Plan 2021-2024, and development and consultation on a further Action Plan to implement the Better Life Strategy from 2025 (Disclosure 1)	Achieved	New measure	Not achieved	✗
The standard was not met. The review process had not been finalised at the time of reporting. Work continues with the Minister for Seniors on the new Government's priorities in relation to older people.				

Disclosure 1: This new time-bound deliverable measure was added for 2023/24.

Note 1: Every six months the Minister for Seniors and the Office for Seniors 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 service quality rating is on a five-point scale.

Due to the timing of the 2023 General Election and the appointment of a new Minister for Seniors on 27 November 2023, the mid-year discussion was not conducted this year. The 2023/24 result is based on the financial year-end discussion on the quality of service provided to the Hon Casey Costello, the Minister for Seniors, between 27 November 2023 and 30 June 2024.

Note 2: Stakeholders are surveyed annually from seniors sector organisations and central and local government. The survey uses a five-point scale from 'very dissatisfied' to 'very satisfied'.

The following information is provided for context:

	2023/24
Number of Office for Seniors stakeholders who provided feedback on their engagement with the Office for Seniors	51

Financial performance

Financial performance (Figures are GST exclusive)	**2022/23 Actual $000**	**2023/24 Budgeted $000**	**2023/24 Revised $000**	**2023/24 Actual $000**
Revenue				
Crown	2,722	2,658	2,875	2,875
Department	-	-	-	-
Other	-	-	-	-
Total Revenue	**2,722**	**2,658**	**2,875**	**2,875**
Total Expense	**2,699**	**2,658**	**2,875**	**2,841**
Net Surplus/(Deficit)	**23**	**-**	**-**	**34**

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.

Performance information

Measure	Standard 2023/24	Actual 2022/23	Actual 2023/24	Status
The percentage of income-related rent assessments (for tenants with verified income) that are calculated accurately will be no less than (Notes 1 and 2)	95%	97%	96.5%	✓
The average time to have a live application placed on to the Public Housing Register from first requesting assistance with emergency housing will be no more than	30 working days	27 working days	25 working days	✓
The standard was significantly exceeded. This measure is also a KPI (see page 75).				

Note 1: Income-Related Rent is a government-subsidised rent scheme for public housing tenants with low incomes. MSD calculates a client's rate in accordance with the Public and Community Housing Management Act 1992. Only tenants with verified income are included in this measure.

Note 2: Accuracy measures the percentage of client assessments that are processed correctly.

The following information is provided for context:

	2023/24
Number of income-related rent assessments sampled	1,008
Applications on the Public Housing Register (at 30 June)	27,861

Financial performance

Financial performance (Figures are GST exclusive)	2022/23 Actual $000	2023/24 Budgeted $000	2023/24 Revised $000	2023/24 Actual $000
Revenue				
Crown	75,139	88,002	81,758	81,758
Department	-	-	-	-
Other	-	-	-	-
Total Revenue	**75,139**	**88,002**	**81,758**	**81,758**
Total Expense	**71,470**	**88,002**	**81,758**	**77,207**
Net Surplus/(Deficit)	**3,669**	**-**	**-**	**4,551**

Other Expense: Te Pae Tawhiti – Horizon One

Appropriation Minister: Minister for Social Development and Employment

This multi-year appropriation commenced on 1 July 2023 and expires on 30 June 2026.

Scope statement: This appropriation is limited to the design and implementation of a modern system for administering welfare support and related interventions.

Intention statement: This appropriation is intended to lay the foundations that enable the transformation of MSD's operating and service models.

Performance information

Measure	Standard 2023/24	Actual 2022/23	Actual 2023/24	Status
Complete the procurement for Service Experience platform(s) implementation partner by 30 June 2024 (Disclosure 1 and Note 1)	Achieved	New measure	Achieved	✓
The procurement for a Service Experience Transformation Partner was carried out on schedule as per the procurement plan. A preferred supplier was selected and approved by the appropriate MSD delegated authority on 22 April 2024.				
Complete the procurement for the Employment Service – Digital Employment platform implementation partner by 30 June 2024 (Disclosure 1 and Note 1)	Achieved	New measure	Achieved	✓
The procurement for our Digital Employment Service was carried out on schedule as per the procurement plan. A preferred supplier was selected and approved by the appropriate MSD delegated authority on 19 December 2023.				

Disclosure 1: These new time-bound deliverable measures were added for 2023/24 to capture key deliverables for this stage of the Te Pae Tawhiti Transformation Programme.

Note 1: For the purposes of this measure the procurement is considered to be complete when a preferred supplier is selected and approved by the appropriate MSD delegated authority.

The Service Experience Platform and Digital Employment Service are the critical building blocks to delivering integrated services and support. Together they will secure the capabilities (technology, processes, tools and workforce) we need to work more efficiently and effectively across income support and employment.

The performance measures for 2024/25 will report against the next stages of discovery for these services.

Financial performance

Financial performance (Figures are GST exclusive)	2022/23 Actual $000	2023/24 Budgeted $000	2023/24 Revised $000	2023/24 Actual $000
Revenue				
Crown	-	54,900	69,728	46,368
Department	-	-	-	-
Other	-	-	-	-
Total Revenue	**-**	**54,900**	**69,728**	**46,368**
Total Expense	**-**	**54,900**	**69,728**	**46,368**
Net Surplus/(Deficit)	**-**	**-**	**-**	**-**

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 PFA.

Intention statement: This appropriation is intended to achieve the replacement or upgrade of assets in support of the delivery of MSD's services.

Summary of 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 Changes in Equity (page 148).

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. Pages 50-53 contains the results of the performance indicators for our service critical assets.

We have a complex and ageing Information and Technology infrastructure, increasing the potential for service failures, risking harm to clients and partners, and making it difficult to meet increasing demand or respond to government priorities. A disproportionate amount of effort is currently required to keep systems operational and safe.

Simplifying and improving resilience of our systems is a continuous focus for our critical IT assets and will support the delivery of a sustainable welfare system through our transformation programme, Te Pae Tawhiti.

We achieved the replacement or upgrade of assets in support of the services we deliver in accordance with our long-term capital plan.

Financial performance

Financial performance (Figures are GST exclusive)	2022/23 Actual $000	2023/24 Budgeted $000	2023/24 Revised $000	2023/24 Actual $000
Capital Expenditure (PLA)	77,238	120,651	141,298	84,245

Multi-Category Expense Appropriation: Community Support Services

Appropriation Minister: Minister for Social Development and Employment

Overarching purpose 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 which address hardship and adverse life outcomes.

This appropriation contains two departmental output expenses, six non-departmental output expenses and one non-departmental other expense categories

Departmental Output Expenses

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.

Regional System Leadership Framework

Scope statement: This category is limited to co-ordinating and delivering public services at a regional level.

Intention statement: This category is intended to achieve strengthened regional system leadership by supporting Regional Public Service Commissioners in working to coordinate and align central government decision makers.

Non-Departmental Output Expenses

Community Connectors

Scope statement: This category is limited to Community Connection services to provide targeted advice and support for vulnerable individuals, whānau and communities.

Intention statement: This category is intended to enable Community Connectors to provide short-term support to individuals and whānau to prevent and reduce the impacts of hardship through supporting and advocating for those they work with until they are connected with appropriate services.

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.

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.

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.

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.

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 Expenses

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.

Performance information

Measure	Standard 2023/24	Actual 2022/23	Actual 2023/24	Status
Overarching measure				
The number of people accessing Community Support services will be no less than	84,100	138,780	136,166	✓
The standard was significantly exceeded. This measure includes MSD contracted services with service delivery measures for the number of clients or families supported. As a result of local demand, providers often deliver additional support with the help of philanthropic or other funding sources, which they may report on to MSD.				
Departmental output expenses				
Developing and managing community services				
Te Kāhui Kāhu – Social Services Accreditation				
The percentage of providers who rate their accreditation as a fair and professional service will be no less than (Note 1)	80%	86%	87.9%	✓
The standard was significantly exceeded. This reflects the high-quality accreditation services provided throughout 2023/24.				
The percentage of assessments completed within the specified timeframe will be no less than (Note 2)	80%	62%	89.3%	✓
The standard was significantly exceeded. This was due to the increased functionality available in our new system (Te Kāhui Kāhu Online) and improvements in associated internal policies, procedures and tools.				
Result measurement framework				
The percentage of all contracted services which achieved or exceeded the target for their primary contracted measure will be no less than (Note 3)	75%	75.8%	90.2%	✓
The standard was significantly exceeded. In 2023/24, 726 of the 805 providers reported they achieved or exceeded the target for their primary contracted measure.				
Regional System Leadership Framework				
The score for the Minister for Social Development and Employment's satisfaction with the Regional Public Service Commissioners' leadership and coordination across the public service in the regions which contributes to improving outcomes for people, families and communities, will be no less than (Disclosure 1 and Note 4)	3.5	New measure	4	✓
Non-departmental output expenses				
Community Connectors				
The number of households supported through Community Connectors (Disclosure 2)	50,000	New measure	44,916	✗
The standard was not met. This was primarily due to the reduction in workforce, from 100 to 50 Community Connectors, which was announced in March 2024 to come into effect from 1 July 2024. This contributed to the below standard result as the workforce transitioned into other employment.				

Measure	Standard 2023/24	Actual 2022/23	Actual 2023/24	Status
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 (Notes 5 and 6)	80%	94.4%	92.4%	
The standard was significantly exceeded. This demonstrates the effectiveness of these services and how they help their clients achieve their financial capability goals.				
Sector umbrella groups 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 (Note 6)	90%	97.7%	96.7%	
Microfinance Partnership The percentage of completed loan applications approved during the reporting period will be no less than (Disclosure 3)	60%	New measure	68.8%	
Improving children's participation in education An exemption from performance reporting was granted under section 15D(2)(b)(iii) of the PFA.				
Participation and support services for seniors				
Elder Abuse Response Service The percentage of clients who indicate they have greater control over their lives after receiving the Elder Abuse Response Service will be no less than (Note 6)	80%	77.4%	85.4%	
Place-based approaches				
By 30 June 2024, the Place-Based Initiative's system-focused work, including the Ka Awatea family harm system project, has delivered evidence-based systemic change recommendations that are being considered by the Manaaki Tairāwhiti Governance Group and/or leaders with appropriate delegations to take action (Disclosure 4 and Note 7)	Achieved	New measure	Achieved	
This measure relates to Manaaki Tairāwhiti, a group of local iwi and social cross-sector leaders working together in Tairāwhiti Gisborne to deliver what is needed for whānau to flourish. They use data collected by Manaaki Navigators and collated through their database to prepare advice for the Manaaki Tairāwhiti Board and wider stakeholders. This year, Manaaki Tairāwhiti delivered documents, including: • the Strategic Action Plan, which lays out the strategic direction the board are hoping to take, including systemic change supported by actions • the Devolution Roadmap, which supports a localised approach to the delivery of services.				
By 30 June 2024, the Place-Based Initiative has, in collaboration with the Social Sector Commissioning and Māori, Communities and Partnerships teams, developed a workable and sustainable model for the future funding and contracting of specialist NGO participation in the Multi-Disciplinary Cross Agency Teams approach to family harm (Disclosure 4 and Note 7)	Achieved	New measure	Achieved	

Measure	Standard 2023/24	Actual 2022/23	Actual 2023/24	Status
This measure relates to the South Auckland Social Wellbeing Board, which is an agency-led place-based initiative consisting of representation from 13 government agencies, including local government, Health New Zealand and an independent non-government chair. The South Auckland Social Wellbeing Board has developed a sustainable model through the continued co-operation of the board on matters of social wellbeing in South Auckland. The board brings together public agencies and engages with mana whenua to work collaboratively, where possible.				
Supporting victims and perpetrators of family and sexual violence				
The number of people accessing family and sexual violence services will be no less than	30,500	56,627	52,078	✓
The percentage of victims of family violence who reported they are satisfied or very satisfied with the family violence response services will be no less than (Note 6)	80%	96.6%	95.4%	✓
The percentage of victims of sexual violence who reported they received the support they needed, when they needed it will be no less than (Note 6)	80%	91.4%	88.6%	✓
The percentage of non-mandated harmful sexual behaviour clients (Note 8) who show a decrease in risk factors will be no less than	80%	97%	93.4%	✓
This explanation relates to the above measures for services addressing family violence and sexual violence which were all significantly exceeded. Demand for services addressing family violence and sexual violence remained high across 2023/24. Results show that providers are delivering services that people are satisfied with and provide the support people need. The second and third measures in this category are also KPIs (see page 77).				
Non-departmental other expense				
Community response to adverse or emergency events				
The number of providers supported to participate in building food secure communities will be no less than (Disclosure 5)	85	401	222	✓
The standard was significantly exceeded. The standard was based on the number of providers in the food security sector prior to investment.				

Disclosure 1: This new category and measure were added in 2023/24. A ministerial satisfaction measure was selected to measure the quality of leadership and coordination provided.

Disclosure 2: This new category and measure were added in 2023/24. The measure was selected to reflect the level of support provided.

Disclosure 3: This new measure was added in 2023/24 to replace the previously reported microfinance partnership measure. The new measure better reflects provider performance.

Disclosure 4: These new measures were added in 2023/24 to replace the previous time-bound delivery measures.

Disclosure 5: The standard was reduced in 2023/24 to reflect reduced funding.

Note 1: Te Kāhui Kāhu assesses social service providers against the social service accreditation standards to ensure they can safely deliver social services to their community.

Note 2: The specified timeframe is 30 working days following a site visit for single site providers, and 50 working days following the last site visit for multi-site providers.

Note 3: Contracts between MSD and service providers outline the primary measures for that contract depending on what services are being procured. These can include measures of the number of staff funded, projects undertaken, services provided or outcomes achieved.

Note 4: The Minister's satisfaction is calculated through the quality rating received on advice provided to the Minister (by the Regional Public Service Office which is hosted by MSD) and the Minister's engagement with the Regional Public Service Commissioners. The satisfaction score is measured on a scale from 1 to 5, where 1 means never met expectations and 5 means always exceeded expectations.

Note 5: Progress is measured as a positive shift in at least one of a client's goals, as measured via a survey at the end of their use of a Building Financial Capability service.

Note 6: Provider-administered client surveys are undertaken by the providers and reported to MSD as per contractual requirements.

Note 7: Place-based initiatives are funded by MSD to enable collaboration and collective action across government agencies by working with them and local leaders, including iwi Māori, to identify opportunities for operational and system changes to improve outcomes for whānau.

Note 8: This service is only for non-mandated clients. Non-mandated means that they are not required by law to attend. Mandated clients will be supported through other parts of the system, including the Department of Corrections and the Ministry of Justice.

The following information is provided for context:

	2023/24
Departmental output expenses	
Te Kāhui Kāhu (formerly Social Services Accreditation)	
Assessments completed	1,632
Number of providers surveyed on accreditation process	887
Provider survey response rate	28%
Number of accredited providers (at 30 June)	1,997
Result measurement framework	
Number of contracted service providers	1,079
Percent of contracted service providers who reported to MSD on their primary contracted measure	74.6%
Non-departmental output expenses	
Building financial capability	
Number of Building Financial Capability sessions offered	122,605
Sector umbrella groups	
Number of member agencies surveyed	3
Microfinance Partnership	
Loan applications received	2,478
Elder abuse response services	
Number of elder abuse clients who provided formal client satisfaction feedback	1,592
People accessing elder abuse response services	4,324
Supporting Victims and Perpetrators of Family and Sexual Violence	
Number of clients who used the Family Violence Response Service and provided formal client satisfaction feedback	6,570

	2023/24
Number of clients who used the Sexual Harm Crisis Support Service and provided feedback or formal client satisfaction feedback	4,153
Non-departmental other expenses	
Community response to adverse or emergency events	
Number of food parcels delivered by providers	594,743
Number of kilograms of food supplies distributed by community food hubs	8,137,969

Financial performance

Financial performance (Figures are GST exclusive)	**2022/23 Actual $000**	**2023/24 Budgeted $000**	**2023/24 Revised $000**	**2023/24 Actual $000**
Departmental Output Expenses				
Revenue from Crown				
Developing and Managing Community Services	53,416	37,687	47,907	47,907
Regional System Leadership Framework	-	5,000	6,135	6,135
Revenue from Departmental				
Developing and Managing Community Services	-	-	-	-
Regional System Leadership Framework	-	-	1,550	1,550
Revenue from Others				
Developing and Managing Community Services	-	-	-	-
Regional System Leadership Framework	-	-	375	375
Total Revenue	**53,416**	**42,687**	**55,967**	**55,967**
Total Expense	**51,753**	**42,687**	**55,967**	**50,468**
Net Surplus/(Deficit)	**1,663**	**-**	**-**	**5,499**

Financial performance (Figures are GST exclusive)	**2022/23 Actual $000**	**2023/24 Budgeted $000**	**2023/24 Revised $000**	**2023/24 Actual $000**
Non-Departmental Output Expenses				
Community Connectors	-	38,868	39,437	32,867
Community Support and Advice	162,236	88,257	68,639	53,519
Expansion of Kāinga Whānau Ora Pilot	2,400	-	-	-
Improving Children's Participation in Education	1,642	1,643	1,643	1,469
Participation and Support Services for Seniors	9,880	12,395	13,996	12,072
Place-Based Approaches	6,174	6,691	6,691	6,364
Supporting Victims and Perpetrators of Family and Sexual Violence	158,003	180,942	193,212	177,917
Non-Departmental Other Expenses				
Community Response to Adverse or Emergency Events	68,643	35,420	41,420	36,037
Total Expense	**408,978**	**364,216**	**365,038**	**320,245**

Multi-Category Expense Appropriation: Housing Support Assistance

Appropriation Minister: Minister of Housing

Overarching purpose 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, in public housing or have otherwise contacted us for support.

This appropriation contains one non-departmental output expense, one non-departmental other expense and one non-departmental capital expenditure category

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 Assistance

Scope statement: This category is limited to non-recoverable Housing Support Assistance, to help people obtain and/or retain housing, paid in accordance with criteria set out in delegated legislation made 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 Assistance

Scope statement: This category is limited to recoverable Housing Support Assistance, to help people obtain and/or retain housing, paid in accordance with criteria set out in delegated legislation made 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.

Performance information

Measure	Standard 2023/24	Actual 2022/23	Actual 2023/24	Status
Overarching measure				
The percentage of people who are not on the Housing Register, or have not received an Emergency Housing Special Needs Grant, 90 calendar days after receipt of a Housing Support Product (HSP) will be no less than (Notes 1, 2 and 3)	70%	88%	90.3%	✓
The standard was significantly exceeded. This measure is also a KPI (see page 75).				
Non-departmental output expense				
Provision to better prepare people to access and sustain private rentals				
An exemption from performance reporting was granted under section 15D(2)(b)(iii) of the PFA.				
Non-departmental other expense				
Non-recoverable housing support assistance				
The percentage of people who are not on the Housing Register, or have not received an Emergency Housing Special Needs Grant, 90 calendar days after receipt of a non-recoverable Housing Support Product (HSP) will be no less than (Notes 1, 2 and 3)	70%	85.4%	93.6%	✓
The standard was significantly exceeded. Although we expect performance to exceed the standard, there will be fluctuations in the result over time due to the availability of suitable and affordable accommodation in the private rental market. Since March 2023, there is one HSP grant type that is non-recoverable, the Transition to Alternative Housing (TTAH) grant. This is a one-off non-recoverable incentive payment for eligible clients voluntarily exiting public housing and entering the private rental market. In July 2024, we went live with the HSP Non-Residential Tenancies Act products. This extended recoverable housing assistance to people living in suitable non-RTA accommodation (including boarding and flatting situations).				
Non-departmental capital expenditure				
Recoverable Housing Support Assistance				
An exemption from performance reporting was granted under section 15D(2)(b)(ii) of the PFA.				

Note 1: To avoid double counting, people who may have gone onto the Housing Register and moved into public housing (or emergency housing) in the 90 calendar days after receipt of an HSP will be counted only as being in public housing or emergency housing.

Note 2: The Housing Register is a record of New Zealanders who are not currently in public housing and who have been assessed as eligible. The Emergency Housing Special Needs Grant helps individuals and families with the cost of staying in short-term accommodation if they are unable to access a contracted transitional housing place.

Note 3: HSPs are individual products that provide financial assistance for clients needing help to obtain and retain rental housing. Most HSPs are recoverable grants, which include moving costs, bond and rent in advance. Some HSPs are non-recoverable grants, including transitions to alternative housing, which is an incentive payment for clients who are ready and able to move out of public housing and into alternative housing.

The following information is provided for context:

	2023/24
Number of Emergency Housing Special Needs Grants issued	88,008
Number of Housing Support Products provided	116,968

Financial performance

Financial performance **(Figures are GST exclusive)**	**2022/23 Actual $000**	**2023/24 Budgeted $000**	**2023/24 Revised $000**	**2023/24 Actual $000**
Non-Departmental Output Expenses				
Provision to better prepare people to access and sustain private rentals	445	2,063	2,063	1,018
Non-Departmental Other Expenses				
Non-Recoverable Housing Support Assistance	5,971	12,933	3,678	601
Non-Departmental Capital Expenditure				
Recoverable Housing Support Assistance	32,994	137,714	121,831	109,994
Total Expense	**39,410**	**152,710**	**127,572**	**111,613**

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 five departmental output expenses, three non-departmental output expenses and one non-departmental other expense categories

This multi-category appropriation (MCA) previously included the Drivers Licence Employment Assistance non-departmental output expense, which has now been established as a stand-alone appropriation in the Vote Social Development Non-Departmental Appropriations Report.

Departmental Output Expenses:

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.

Improving Employment Outcomes

Scope statement: This category is limited to providing assistance, services and other interventions, including associated administrative expenses, either in accordance with delegated legislation made under the Social Security Act 2018, or as approved by Cabinet or the appropriation Minister, or consistent with strategic direction set by Cabinet or the appropriation Minister, to eligible people to help them move into and retain employment.

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.

Improving Employment Outcomes to Support People Impacted by Extreme Weather Events

Scope statement: This category is limited to providing assistance, services and other interventions, including associated administrative expenses, either in accordance with delegated legislation made under the Social Security Act 2018, or as approved by Cabinet or the appropriation Minister, or consistent with strategic direction set by Cabinet or the appropriation Minister, to eligible people impacted by extreme weather events to help them move into and retain employment.

Intention statement: This category is intended to reduce long-term impacts on employment and income on individuals affected by the North Island Extreme Weather Events as well as support the recovery of affected regions.

Improving Work Readiness Outcomes

Scope statement: This category is limited to providing assistance, services and other interventions, including associated administrative expenses, either in accordance with delegated legislation made under the Social Security Act 2018, or as approved by Cabinet or the appropriation Minister, or consistent with strategic direction set by Cabinet or the appropriation Minister, to eligible people to address barriers to employment to help them become work ready.

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.

Jobs and Skills Hub

Scope statement: This category is limited to expenses incurred in establishing, operating and administrating jobs and skills hubs to work with employers to facilitate job brokerage and training.

Intention statement: This category is intended to support large-scale construction and infrastructure projects by building community workforce capability and capacity (see Note 14).

Non-Departmental Output Expenses:

He Poutama Rangatahi

Scope statement: This category is limited to supporting training and employment programmes for young people not in education, employment or training and at risk of poor labour market outcomes in the long-term.

Intention statement: This category is intended to achieve support for communities to link rangatahi directly to employers and support those employers willing to invest in employing them.

Māori Trades and Training Programmes

Scope statement: This category is limited to expenses incurred on programmes that support Māori through Trades and Training.

Intention statement: This category is intended to achieve the selection and funding of programmes that support Māori through Trades and Training.

Pacific employment and training programmes

Scope statement: This category is limited to expenses incurred on employment and training programmes that support Pacific Peoples.

Intention statement: This category is intended to achieve an improvement in employment outcomes for Pacific Peoples through their participation in training and upskilling programmes delivered by Pacific organisations.

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.

Performance information

Measure	Standard 2023/24	Actual 2022/23	Actual 2023/24	Status
Overarching measures				
The number of exits from a main benefit during the calendar year for reason of employment following an employment intervention will be no less than (Disclosure 1 and Notes 1 and 2)	20,000	22,596	17,592	✖
The standard was not met. In challenging economic conditions employers are less likely, even with support, to hire new staff which makes it more difficult to place people into work. To counter this, MSD continues to maximise its employment products and programmes that help clients into work by using employment interventions that have been proven to be most effective for clients. We are focusing on prevention and early intervention. This involves getting clients into work before they come on to a benefit and supporting new benefit clients back into work as quickly as possible. We continue to use our employment case management and work brokerage services to help those most in need.				
Of those clients who have exited a main benefit during the calendar year for reason of employment, following an employment intervention, the proportion that did not access a main benefit again in the following six months will be no less than (Note 3)	55%	62.7%	62.5%	✔
The standard was significantly exceeded. This measure is also a KPI (see page 73).				

Measure	Standard 2023/24	Actual 2022/23	Actual 2023/24	Status
The percentage of Employment Assistance programmes rated 'effective' or 'promising' will be no less than	90%	94.5%	94.4%	
The standard was met. This measure is also a KPI (see page 73).				
Departmental output expenses				
Administering income support				
The proportion of benefit entitlement assessments completed accurately will be no less than	95%	82.7%	77.6%	
The standard was not met. This measure is also a KPI (see page 76).				
The proportion of benefit entitlement assessments completed within five working days will be no less than (Notes 1 and 4)	90%	93%	90.8%	
Improving employment outcomes				
The number of exits from a main benefit during the calendar year for reason of employment, following an employment outcomes intervention will be no less than (Disclosure 1 and Notes 1 and 2)	19,000	21,153	16,137	
The standard was not met. Employment outcomes intervention specifically refers to vacancy placements and employment products and programmes. This is a subset of the broader 'Employment interventions' included in the overarching measures for this MCA (see page 129).				
Of those clients who have exited a main benefit during the calendar year for reason of employment, following an employment outcomes intervention, the proportion that did not access a main benefit again in the following six months will be no less than (Notes 1 and 3)	55%	62%	62.3%	
The standard was significantly exceeded. This measure is a subset of the broader 'Employment interventions' included in the overarching measures for this MCA.				
The number of people supported through the Direct Career Service will be no less than (Disclosure 2 and Note 5)	13,500	New measure	15,715	
The standard was significantly exceeded. High levels of business closures and redundancies across New Zealand have contributed to increased demand for Direct Career Services.				
The number of disabled people placed or supported to remain in open paid employment will be no fewer than (Disclosure 3 and Note 6)	5,800	6,342	4,733	
The standard was not met. In challenging economic conditions employers are less likely, even with support, to hire new staff which makes it more difficult to place people into work. This tends to have an even greater impact on employment opportunities for those with a disability and/or health conditions. We are undertaking a service design to review and improve the outcomes of these services.				

Measure	Standard 2023/24	Actual 2022/23	Actual 2023/24	Status
Early response redeployment support and rapid return to work				
The number of businesses supported through the Early Response Redeployment Support (Disclosure 4)	800	New measure	**1,308**	✓
The standard was significantly exceeded. Increased levels of business closures and demand for Early Response services throughout 2023/24 has resulted in more businesses being assisted than originally anticipated. These services help people get a new job and provide support between jobs.				
The number of people actively participating in the Rapid Return to Work service will be no less than (Disclosure 4)	4,560	New measure	**7,591**	✓
The standard was significantly exceeded. This service was originally available for self-referral but was reviewed in March 2023 to include referrals from MSD staff. Improved communications were implemented to support staff to identify which cohorts would benefit most from this opt-in service. 1,458 participants exited into employment in the reporting period.				
Improving Employment Outcomes to Support People Impacted by Extreme Weather Events				
The number of training and employment programmes and services created or bolstered by the funding will be no less than (Disclosure 5 and Note 7)	45	New measure	**45**	✓
Improving Work Readiness Outcomes				
The number of exits from a main benefit during the calendar year for reason of employment, following a work-readiness intervention will be no less than (Disclosure 6 and Note 2)	2,500	2,919	2,880	✓
The standard was significantly exceeded. This measure is also a KPI (see page 74), and is a subset of the broader 'Employment interventions' included in the overarching measures for this MCA.				
Of those clients who have exited a main benefit during the calendar year for reason of employment, following a work-readiness intervention, the proportion that did not access a main benefit again in the following six months will be no less than (Disclosure 6 and Notes 1, 3 and 8)	60%	65.2%	62.8%	✓
The standard was met. This measure is a subset of the broader 'Employment interventions' included in the overarching measures for this MCA.				
Employment Programmes – Vocational Rehabilitation Services for Musculoskeletal Pain				
Complete the procurement for Vocational Rehabilitation Services provider(s) by 30 June 2024 (Disclosure 7)	Achieved	New measure	Not achieved	✗
An evaluation report for the Taranaki Vocational Rehabilitation Service to be completed by (Disclosure 7)	June 2024	New measure	Not achieved	✗
The standards for both above measures were not met. This was due to their implementation being paused. Work resumed on these programmes towards the end of the 2023/24 financial year.				

Measure	Standard 2023/24	Actual 2022/23	Actual 2023/24	Status
Jobs and Skills Hub				
The number of training interventions completed to support Industry and Major Projects will be no less than (Disclosure 8 and Note 9)	2,500	1,361	2,758	✓
The standard was significantly exceeded. The slowdown in the construction and infrastructure sector has presented opportunities to train and upskill people so they are work ready for when large-scale projects start. Multiple training interventions, including industry-based certification or heavy truck licences, have been used to increase candidates' employability resulting in successful employment outcomes and higher-than-predicted training interventions.				
The number of project vacancies filled will be no less than (Disclosure 8 and Note 9)	800	New measure	981	✓
The standard was significantly exceeded. This was due to an increased focus on improving employment outcomes. Some key projects the Hubs have been supporting were discontinued or delayed in 2023/24, meaning Hubs have had to adjust their operating model to ensure vacancies continued to be filled. This has allowed them to support a wider range of employers, including small-to-medium enterprises, and has contributed to higher-than-forecast filled vacancies.				
The number of apprenticeship placements will be no less than (Disclosure 8 and Note 9)	100	New measure	76	✗
The standard was not met. This was due to the current economic climate and business confidence limiting employers' desire to commit to long-term apprenticeships. In response, the Hubs have pivoted to focus on supporting candidates into more employment opportunities. This has resulted in higher levels of completed training inventions and filled project vacancies as outlined above.				
Non-departmental output expenses				
He Poutama Rangatahi				
The number of young people supported onto education, training or employment pathways by programmes funded through the appropriation will be no less than (Disclosure 9 and Note 10)	2,500	2,922	3,166	✓
Māori Trades and Training Programmes				
The number of people supported onto trades and training pathways by programmes funded through the appropriation will be no less than (Disclosure 10 and Note 10)	1,000	414	1,832	✓
The standards for both above measures were significantly exceeded. This was due to the programmes being more developed compared to the same time last year. As providers have become more established they have put in place good referral and enrolment practices, which has resulted in a greater number of enrolments. The implementation of the new online reporting tool, SORT, is also enabling more timely reporting for these programmes.				

Measure	Standard 2023/24	Actual 2022/23	Actual 2023/24	Status
Pacific employment and training programmes				
Complete the procurement of provider(s) of Pacific employment and training programmes by 30 June 2024 (Disclosure 11 and Note 11)	Achieved	New measure	Achieved	✓
The Pacific Employment Action Plan Fund opened to expressions of interest in September/October 2023 with 154 applications being received and assessed. Thirteen providers were selected who demonstrated strong alignment against the fund criteria. These providers will be in place for 2024/25.				
Non-departmental other expenses				
Flexi-wage employment assistance				
The percentage of clients who remain off benefit for at least six months following the completion of a Flexi-wage contract will be no less than (Disclosure 1 and Notes 1, 3 and 12)	65%	68.4%	62.4%	✗
The standard was not met. This was primarily due to the Auckland labour market being adversely affected by the North Island Weather Events in early 2023. Since then, performance has been slowly recovering.				

Disclosure 1: The standards for these measures were increased for 2023/24 to respond to record years of exits into work following the COVID-19 pandemic and a strong resurgent labour market. New Zealand has recently been experiencing an economic downturn that impacts exits and the standards for these measures have been reduced for 2024/25 to reflect this.

Disclosure 2: This new measure was added for 2023/24 due to receiving additional time-limited funding.

Disclosure 3: This measure moved from the Community Participation Services appropriation in 2023/24 to align with the funding for this service. This measure was previously reported within the Vote Social Development Non-Departmental Appropriations Report.

Disclosure 4: These new measures were added in 2023/24 due to receiving new time-limited funding.

Disclosure 5: A new measure was added in 2023/24 due to receiving new time-limited funding. This new measure was selected to reflect that the funding was intended to be flexible by design.

Disclosure 6: The standards for these measures were increased in 2023/24 to better align with performance trends.

Disclosure 7: New measures were established in 2023/24 due to receiving new time-limited funding. These measures capture key deliverables for the design and procurement phase of the programme.

Disclosure 8: Two new measures were added in 2023/24 due to receiving new time-limited funding, and the standard for the existing measure was increased.

Disclosure 9: The standard was increased in 2023/24 to reflect the number of rangatahi (young people) expected to be supported from the full allocation of funding for He Poutama Rangatahi.

Disclosure 10: The standard was increased in 2023/24 to reflect the increase in people supported from more funded programmes being implemented.

Disclosure 11: This new category and measure were added in 2023/24 when funding was transferred from Vote Pacific Peoples. As the initiative is still in its development stage, a time-bound deliverable measure has been used.

Note 1: MSD offers several main benefits such as Jobseeker Support, Supported Living Payment and Sole Parent Support.

Note 2: For these measures clients will be recorded multiple times if they exit a main benefit multiple times and have been assessed for pre-exit activity each time.

Note 3: As the measurement of clients not accessing a main benefit again is taken six months after each exit, the clients included in this count have exited a main benefit within the calendar year rather than the financial year (i.e., six months prior to the relevant financial year starting). This is to show a full financial year result of the measure.

Note 4: The timeframe is calculated from the day all information required to complete an assessment is received to the day the client is advised of the outcome. This is based on a representative sample of completed applications.

Note 5: The Direct Career Service provides personalised career advice from qualified, professional career practitioners and is available to all New Zealanders who want to transition into new or different work.

Note 6: Open employment is where people with and without a disability work together in the same workplace in roles that are open to everyone in the workforce. This compares with supported or sheltered employment, which provides specific employment for disabled people.

Note 7: Training and employment programmes and services include any contracted services, MSD products and services, as well as additional staff to support training and employment outcomes.

Note 8: Work-readiness intervention refers to an external service that helps remove barriers to a client or partner to become ready for work.

Note 9: Jobs and Skills Hubs are a recruitment and training facilitation service to support New Zealand's construction and infrastructure sectors.

Note 10: These measures count the number of people who joined one of these programmes.

Note 11: The intent of the programmes is to work with participants over time to improve their long-term employment outcomes.

Note 12: Flexi-wage contracts are available to support New Zealanders to secure employment through incentivising employers to take on candidates who are disadvantaged in the labour market or at risk of long-term benefit receipt, or to assist people who are interested in starting a new business.

The following information is provided for context:

	2023/24
Overarching measures	
People exiting a main benefit and going into work in 2023/24	71,721
Departmental output expenses	
Administering income support	
Number of benefit entitlement assessments sampled	4,949
Number of benefit entitlement assessments processed	7,763,856
Improving employment outcomes	
Number of participants in employment programmes and products	146,650
Improving work-readiness outcomes	
Number of participants in work-readiness programmes	5,112
Non-departmental other expenses	
Flexi-wage employment assistance	
Number of clients supported into work by Flexi-wage	7,035

For more information see the Benefit Fact Sheets on the MSD website.

Financial performance

Financial performance (Figures are GST exclusive)	2022/23 Actual $000	2023/24 Budgeted $000	2023/24 Revised $000	2023/24 Actual $000
Departmental Output Expenses				
Revenue from Crown				
Administering Income Support	484,867	441,783	510,216	510,216
Improving Employment Outcomes	572,622	486,354	528,962	528,962
Improving Employment Outcomes to Support People Impacted by Extreme Weather Events	-	22,600	23,212	23,212
Improving Work Readiness Outcomes	122,985	107,457	126,368	126,368
Jobs and Skills Hubs	6,306	8,545	5,522	5,522
Revenue from Departmental				
Administering Income Support	633	1,600	1,600	431
Revenue from Others				
Administering Income Support	2,087	2,000	2,000	2,672
Total Revenue	**1,189,500**	**1,070,339**	**1,197,880**	**1,197,383**
Total Expense	**1,142,030**	**1,070,339**	**1,197,880**	**1,193,848**
Net Surplus/(Deficit)	**47,470**	**-**	**-**	**3,535**

Financial performance (Figures are GST exclusive)	2022/23 Actual $000	2023/24 Budgeted $000	2023/24 Revised $000	2023/24 Actual $000
Non-Departmental Output Expenses				
Drivers Licence Employment Assistance	9,756	-	-	-
He Poutama Rangatahi	52,553	41,183	41,957	41,635
Māori Trades and Training Programmes	40,983	31,106	31,106	30,235
Pacific employment and training programmes	-	2,208	2,208	2,208
Non-Departmental Other Expenses				
Flexi-Wage Employment Assistance	52,279	25,143	25,143	25,143
Total Expense	**155,571**	**99,640**	**100,414**	**99,221**

Multi-Category Expense Appropriation: Partnering for Youth Development

Appropriation Minister: Minister for Youth

Overarching purpose 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.

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, 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.

Performance information

Measure	Standard 2023/24	Actual 2022/23	Actual 2023/24	Status
Overarching measures				
The percentage of participants who report they have seen an improvement in their outcomes through participation in a Ministry of Youth Development (MYD) funded service will be no less than (Note 1)	85%	85%	86%	✓
Departmental output expenses				
Administering youth development				
The percentage of total funding for youth development opportunities targeted at young people from the priority cohorts will be no less than (Notes 2 and 3)	50%	71%	74.5%	✓
The standard was significantly exceeded. This was due to a recent change in funding criteria to focus on MYD priority cohorts, together with more successful funding applications from communities representing priority cohorts.				
The percentage of providers reporting that interacting with MYD was a 'good' or 'very good' experience should be no less than (Note 4)	80%	95%	98.5%	✓
The standard was significantly exceeded. This measure is also a KPI (see page 77).				
The percentage of partners involved in funding services through the Partnership Fund reporting that partnering with MYD was a 'good' or 'very good' experience should be no less than (Note 5)	80%	100%	100%	✓
The standard was significantly exceeded. The positive rating reflects MYD's increased relational approach, which includes open and transparent communication, timely support and a strong partnering approach.				
Non-departmental output expense				
Delivering youth development				
The percentage of participants who report they have seen an improvement in their wellbeing through participation in MYD funded youth development services will be no less than (Disclosure 1 and Note 6)	85%	85%	85.9%	✓
The percentage of participants who report they have improved their preparedness for the future work environment through participation in MYD funded youth enterprise services will be no less than (Disclosure 1 and Note 6)	85%	86%	86.6%	✓

Disclosure 1: The methodology for these measures was updated in 2023/24 to reflect current outcome agreements with providers.

Note 1: Data for this measure is collected through participant feedback surveys completed by young people who have participated in MYD-funded initiatives. Questions are designed to explore which outcomes young people believe they have achieved through taking part in the programme or service.

Note 2: The identified priority cohorts are rangatahi Māori, Pacific young people, young women, Rainbow young people, disabled young people, young people from ethnic communities (in particular, former refugees and recent migrants) and young people living in the regions (defined as the non-urban, more rural and often isolated regions across New Zealand).

Note 3: Data for this measure is collected through the outcome agreements with MYD-funded providers.

Note 4: Data for this measure is collected through quarterly provider reporting. The ratings are: 'very bad', 'bad', 'neither bad nor good', 'good' or 'very good'.

Note 5: 'Partners' are those who are contributing funds and resources alongside MYD to support the youth development initiatives. Providers (those delivering the youth development projects) are not considered partners in respect to this measure. Data for this measure is collected through annual surveying of Partnership Fund partners. The ratings are: 'very bad', 'bad', 'neither bad nor good', 'good' or 'very good'.

Note 6: These measures are a subset of the overarching measure, with one specifically focused on wellbeing outcomes and the second focused on youth enterprise outcomes.

The following information is provided for context:

	2023/24
Departmental output expenses	
Administering youth development	
Number of providers surveyed	136
Provider survey response rate	100%
Number of partners surveyed	13
Partner survey response rate	69%
Non-departmental output expenses	
Delivering youth development	
Totals for all funded opportunities (Note 1)	
Number of providers funded	139
Number of opportunities funded	55,371
Number of participants surveyed (Note 2)	64,803
Participant feedback survey response rate	33%

Note 1: The number of providers and opportunities funded will fluctuate based on how MYD responds to community needs and/or changing priorities.

Note 2: The number of participants surveyed is determined from the total number of opportunities delivered. Some providers delivered more opportunities than they were funded for, making the survey population size higher than the total opportunities MYD funded.

Financial performance

Financial performance (Figures are GST exclusive)	2022/23 Actual $000	2023/24 Budgeted $000	2023/24 Revised $000	2023/24 Actual $000
Departmental Output Expenses				
Revenue from Crown				
Administering Youth Development	4,602	4,425	5,238	5,238
Revenue from Departmental				
Administering Youth Development	-	-	-	-
Revenue from Others				
Administering Youth Development	-	-	-	-
Total Revenue	**4,602**	**4,425**	**5,238**	**5,238**
Total Expense	**4,096**	**4,425**	**5,238**	**3,853**
Net Surplus/(Deficit)	**506**	**-**	**-**	**1,385**

Financial performance (Figures are GST exclusive)	2022/23 Actual $000	2023/24 Budgeted $000	2023/24 Revised $000	2023/24 Actual $000
Non-Departmental Output Expenses				
Delivering Youth Development	18,349	19,982	17,557	17,244
Total Expense	**18,349**	**19,982**	**17,557**	**17,244**

Multi-Category Expense Appropriation: Supporting Tāngata Whaikaha Māori and Disabled People

Appropriation Minister: Minister for Disability Issues

Overarching purpose statement: The single overarching purpose of this appropriation is to support tāngata whaikaha Māori and disabled people and their families to create good lives for themselves.

Intention statement: The intention of this appropriation is to support tāngata whaikaha Māori and disabled people and their families to create good lives for themselves. That support should be delivered in ways that align with the Enabling Good Lives principles: self-determination, beginning early, person-centred, ordinary life outcomes, mainstream first, mana enhancing, easy to use, and relationship building. Support in this context is broad and includes work to support the networks that disabled people and their whānau belong to.

This appropriation contains two departmental output expenses, five non-departmental output expenses and one non-departmental other expense category

Departmental Output Expenses:

Connecting people with supports and communities

Scope statement: This category is limited to the provision, purchase, and support of services connect disabled people and their whānau to supports, information, and their communities.

Intention statement: This category is intended to support tāngata whaikaha Māori and disabled people, and their whānau, to be connected to supports and information, and with their communities through connecting services.

Stewardship of the Disability System

Scope statement: This category is limited to stewardship of the cross-government disability system and to provide advice and support to Ministers to discharge their portfolio responsibilities.

Intention statement: This category is intended to support the leadership of the cross-government disability system by providing insights and advice through partnership, and the governance and management of disability support services.

Non-Departmental Output Expenses:

Community-based support services

Scope statement: This category is limited to the provision, purchase, and support of services for disabled people living in a community-based setting.

Intention statement: This category is intended to enable community-based tāngata whaikaha Māori and disabled people to live good lives through the payment and/ or provision of supports such as person directed budgets, supported independent living, personal care, household management, respite care, carer- support, and behavioural supports.

Connecting and strengthening disability communities

Scope statement: This category is limited to the provision, purchase, and support of services that connect disabled people and their whānau to supports and information and strengthen their communities.

Intention statement: This category is intended to support tāngata whaikaha Māori and disabled, and their whānau people to access services and information by investing in provider and workforce capability, Needs Assessment and Service Coordination agencies (NASCs), and Disability Information and Advice Services (DIAS).

Early intervention support services

Scope statement: This category is limited to the provision, purchase, and support of services for disabled people who are early in life, in life transitions, or in vulnerable situations.

Intention statement: This category is intended to achieve early intervention supports for tāngata whaikaha Māori and disabled people who are early in life, in life transitions, or in vulnerable situations, to enable them to live good lives.

Environmental support services

Scope statement: This category is limited to the provision, purchase, and support of environmental support services for disabled people.

Intention statement: This category is intended to enable tāngata whaikaha Māori and disabled people to live good lives by providing supports to minimise the negative impacts of environmental barriers.

Residential-based support services

Scope statement: This category is limited to the provision, purchase, and support of services for disabled people living in a residential-based setting.

Intention statement: This category is intended to enable residential-based tāngata whaikaha Māori and disabled people to live good lives through the payment and/or provision of accommodation costs, living costs, support costs (including Sleepovers), behavioural supports, and the cost of day services and vocational services.

Non-Departmental Other Expenses:

Community Capacity and Support

Scope statement: This category is limited to providing financial assistance towards building capacity and support within disabled communities.

Intention statement: This category is intended to achieve increased participation and contribution by disabled people by supporting the networks that disabled people and their whānau belong to through the use of community grants and community-led solutions.

Performance information

Measure	Standard 2023/24	Actual 2022/23	Actual 2023/24	Status
Departmental output expenses				
Connecting people with supports and communities				
Enabling Good Lives (EGL) Christchurch Demonstration				
The EGL approach (access to an EGL connector and a flexible, personalised budget) is made available to 98 percent of eligible Ongoing Resourcing Scheme (ORS) verified students in Christchurch (Note 1)	Achieved	Achieved	Achieved	Achieved
Mana Whaikaha				
Access to EGL budgets (Personal Budget, Early Investment and Immediate Resourcing) and support are made available to 99 percent of eligible disabled people who submit an EGL Proposal to Mana Whaikaha	99%	100%	100%	Achieved
Stewardship of the Disability System				
Whaikaha procurement process is in line with government standards (Note 2)	Achieved	Achieved	Achieved	Achieved
This measure relates only to Departmental spend.				
The percentage of complaints in regards to Disability Support Services (DSS) that receive either a resolution notification or progress update within 20 days of DSS receiving the complaint	95%	94.5%	96.2%	Achieved
Whaikaha received 79 complaints about the quality of DSS – three of those were not managed in the timeframe.				
Average score attained from a sample of Whaikaha written policy advice as assessed using the agreed Department of the Prime Minister and Cabinet Framework.	Greater than 3.2 out of 5	N/A (Disclosure 1)	3.23	Achieved
Ministerial satisfaction with the policy advice service	Equal to or greater than 4 out of 5	4.2	3.68	Not achieved
The standard was not met. The 2023/24 satisfaction survey noted a decrease in the overall trust rating and a slight decrease in the general satisfaction rating. A change in Minister was announced part-way through the financial year in April 2024.				

Measure	Standard 2023/24	Actual 2022/23	Actual 2023/24	Status
Non-departmental output expenses				
Community-based support services				
The percentage of self-directed funding arrangements to improve the person's choice, control and flexibility (for example, Choices in Community Living, Individualised Funding, Enhanced Individualised Funding, Flexible Disability Supports, Personal Budgets and EGL) within the total client population is greater than or equal to	10%	28.5%	33.9%	Achieved
The standard was significantly exceeded. In 2022/23, changes in purchasing guidelines were made to provide additional flexibility, particularly around Individualised Funding respite. As more people have become aware of the flexibility that individual funding offers, more people have approached NASC requesting this option. Changes to the guidelines in March/April 2024 has restricted the use of Individualised Funding, which may reduce this trend going forward.				
Connecting and strengthening disability communities				
All new eligible DSS clients are assessed within 20 days of referral is equal to or greater than	80%	82.5%	41.3%	Not achieved
The standard was not met. Upon review of Whaikaha measures, Whaikaha noted an error in the calculation of this measure and have corrected this. For the purposes of this result, new clients include re-entered clients requiring assessment. The recalculated result for 2022/23 is 48 percent. Refer to disclosure of judgements section in the Whaikaha Annual Report.				
All new clients assessed as being eligible for Whaikaha-funded support are provided with their support options within 20 days of assessment is equal to or greater than	85%	91.6%	82.8%	Not achieved
The standard was not met. Twelve NASCs exceeded the standard. The median is skewed by a NASC that is operating significantly below the standard. The contributing factors for this included providers not being able to give the requested service due to difficulties recruiting and retaining staff, a small pool of available workers to recruit from, and having potentially too few providers for some services.				
Early intervention support services				
The percentage of those disabled people who were referred to a Behaviour Support Treatment Programme and completed it is greater than or equal to	75%	69.5%	68%	Not achieved
The standard was not met. Due to increasingly long waitlists, by the time people are offered the service they may not wish to continue, or it is no longer required. Long wait times also mean that behaviours have become far more complex and challenging for families to manage. Work is underway to provide support to waitlisted families and trial options to offer a range of options for service. These are intended to help reduce the waitlists.				
Environmental support services				
The percentage of equipment available and supplied from the Ministry of Health's standardised equipment list to ensure value for money is greater than or equal to	75%	74.9%	73.6%	Not achieved
The standard was not met. The number of people served has grown at a rate that requires the overall stock of equipment to grow faster than expected, which means reissue has made up a lower proportion of the total.				

Measure	Standard 2023/24	Actual 2022/23	Actual 2023/24	Status
Residential-based support services				
Percentage of DSS clients moving from mainstream residential service to community support services increases over time so that the percentage receiving community support services is greater than or equal to	77%	83.6%	86.3%	✓
The standard was significantly exceeded. The number of people in residential support has been relatively static over the last 10 years, while the number of total people supported by DSS has increased significantly.				
Non-departmental other expenses				
Community Capacity and Support				
An exemption from performance reporting was granted under section 15D(2)(b)(iii) of the PFA.				

Disclosure 1: Whaikaha was established on 1 July 2022. In its first year of operation, it did not produce sufficient policy work to provide an accurate measurement for 2022/23.

Note 1: Currently ORS-verified students aged 14+ are eligible for the EGL approach in the Christchurch demonstration.

Note 2: This measure considers whether the Whaikaha departmental expenditure procurement process is aligned to MSD's procurement processes and procedures, which in turn align with the Government Procurement Rules.

Financial performance

Financial performance (Figures are GST exclusive)	2022/23 Actual $000	2023/24 Budgeted $000	2023/24 Revised $000	2023/24 Actual $000
Departmental Output Expenses				
Revenue from Crown				
Connecting People with Supports and Communities	8,543	9,700	12,385	12,385
Stewardship of the Disability System	51,170	47,737	59,017	59,017
Revenue from Departmental				
Connecting People with Supports and Communities	-	-	-	-
Stewardship of the Disability System	-	-	-	-
Revenue from Others				
Connecting People with Supports and Communities	-	-	-	-
Stewardship of the Disability System	-	-	-	-
Total Revenue	**59,713**	**57,437**	**71,402**	**71,402**
Total Expense	**49,196**	**57,437**	**71,402**	**48,913**
Net Surplus/(Deficit)	**10,517**	**-**	**-**	**22,489**

Financial performance (Figures are GST exclusive)	2022/23 Actual $000	2023/24 Budgeted $000	2023/24 Revised $000	2023/24 Actual $000
Non-Departmental Output Expenses				
Community-Based Support Services	710,777	765,750	824,739	826,564
Connecting and Strengthening Disability Communities	58,553	72,482	72,462	67,377
Early Intervention Support Services	37,343	55,874	55,628	59,804
Environmental Support Services	213,366	231,026	236,701	235,015
Residential-Based Support Services	989,567	1,060,996	1,096,680	1,091,337
Non-Departmental Other Expenses				
Community Capacity and Support	-	1,000	3,446	2,069
Total Expense	**2,009,606**	**2,187,128**	**2,289,656**	**2,282,166**

Financial statements

Ngā Tauākī Pūtea

Ministry of Social Development

Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2024

Actual 2023 $000		Notes	Actual 2024 $000	Unaudited Budget 2024 $000	Unaudited Forecast 2025 $000
	Revenue				
1,723,945	Revenue Crown		1,789,929	1,654,687	1,647,122
19,614	Revenue other	2	21,831	23,456	20,356
62	Gain on disposal of property, plant and equipment	3	427	-	-
1,743,621	**Total revenue**		**1,812,187**	**1,678,143**	**1,667,478**
	Expenses				
811,245	Personnel costs	4	892,342	787,437	858,697
70,808	Depreciation and amortisation expenses	10,11	81,712	47,390	90,965
17,631	Capital charge	5	16,913	16,344	18,576
752,932	Other operating expenses	6	737,980	826,972	699,240
2	Loss on disposal of property, plant and equipment	3	611	-	-
116	Loss on foreign exchange and non-fixed assets	24	3	-	-
1,652,734	**Total expenses**		**1,729,561**	**1,678,143**	**1,667,478**
90,887	**Net surplus/(deficit)**		**82,626**	**-**	**-**
	Other comprehensive revenue and expense				
	Item that will not be reclassified to net surplus/(deficit)				
-	Gain (Loss) on property revaluations	10	(297)	-	-
90,887	**Total comprehensive revenue and expense**		**82,329**	**-**	**-**

Explanations of significant variances against the original 2023/24 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 2024

Actual 2023 $000		Notes	Actual 2024 $000	Unaudited Budget 2024 $000	Unaudited Forecast 2025 $000
	Equity				
337,509	Taxpayers' funds	17	317,726	349,419	323,382
33,945	Property revaluation reserves	17	33,648	33,945	33,945
371,454	**Total equity**		**351,374**	**383,364**	**357,327**
	Assets				
	Current assets				
179,188	Cash and cash equivalents		147,573	138,131	148,701
1,101	Receivables	7	566	730	1,101
16,746	Prepayments		21,397	16,743	16,747
240,801	Crown receivable	8	233,282	129,914	44,170
437,836	**Total current assets**		**402,818**	**285,518**	**210,719**
	Non-current assets				
128,814	Property, plant and equipment	10	147,270	181,089	185,070
177,229	Intangible assets	11	160,405	197,926	208,595
306,043	**Total non-current assets**		**307,675**	**379,015**	**393,665**
743,879	**Total assets**		**710,493**	**664,533**	**604,384**
	Liabilities				
	Current liabilities				
146,004	Payables and accruals	12	135,180	168,635	111,522
90,887	Return of operating surplus to the Crown	13	82,626	-	-
91,394	Provision for employee entitlements	15	93,037	68,394	91,395
18,737	Provisions	14	22,367	18,737	18,737
347,022	**Total current liabilities**		**333,210**	**255,766**	**221,654**
	Non-current liabilities				
25,403	Provision for employee entitlements	15	25,909	25,403	25,403
25,403	**Total non-current liabilities**		**25,909**	**25,403**	**25,403**
372,425	**Total liabilities**		**359,119**	**281,169**	**247,057**
371,454	**Net assets**		**351,374**	**383,364**	**357,327**

Explanations of significant variances against the original 2023/24 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 2024

Actual 2023 $000		Notes	Actual 2024 $000	Unaudited Budget 2024 $000	Unaudited Forecast 2025 $000
353,083	**Balance at 1 July**		**371,454**	**371,454**	**351,671**
90,887	Total comprehensive revenue and expense		82,626	-	-
	Owner transactions				
(90,887)	Return of operating surplus to the Crown	13	(82,626)	-	-
80,720	Capital injections - cash	17	25,991	15,842	14,191
143	Capital injections - non-cash	17	-	-	-
(61,726)	Capital withdrawal - cash	17	(45,774)	(3,932)	(8,535)
(765)	Capital withdrawal - non-cash	17	-	-	-
-	Revaluation movement gain (loss)	17	(297)	-	-
(1)	Other movements	17	-	-	-
371,454	**Balance at 30 June**		**351,374**	**383,364**	**357,327**

Explanations of significant variances against the original 2023/24 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 2024

Actual 2023 $000		Notes	Actual 2024 $000	Unaudited Budget 2024 $000	Unaudited Forecast 2025 $000
	Cash flows from operating activities				
1,545,908	Receipts from Revenue Crown		1,797,448	1,765,574	1,660,170
23,952	Receipts from other revenue		22,530	23,456	20,356
(766,358)	Payments to suppliers		(746,225)	(826,972)	(699,240)
(797,341)	Payments to employees		(885,187)	(787,437)	(858,697)
(17,631)	Payments for capital charge		(16,913)	(16,344)	(18,576)
29,125	Goods and services tax (net)		(8,242)	(62)	-
(6,541)	Inter-departmental cash flow with Oranga Tamariki - Ministry for Children		(536)	-	-
11,114	**Net cash flow from operating activities**	**18**	**162,875**	**158,215**	**104,013**
	Cash flows from investing activities				
60	Receipts from sale of property, plant and equipment		427	356	-
(30,190)	Purchase of property, plant and equipment		(52,039)	(71,184)	(48,912)
(47,048)	Purchase of intangible assets		(32,206)	(49,467)	(59,920)
(77,178)	**Net cash flow from investing activities**		**(83,818)**	**(120,295)**	**(108,832)**
	Cash flows from financing activities				
80,863	Capital injections		25,991	15,842	14,191
(62,491)	Capital withdrawal from the Crown		(45,774)	(3,932)	(8,535)
(63,500)	Return of operating surplus		(90,889)	(90,887)	-
(45,128)	**Net cash flow from financing activities**		**(110,672)**	**(78,977)**	**5,656**
(111,192)	Net increase/(decrease) in cash		(31,615)	(41,057)	837
290,380	Cash at the beginning of the year		179,188	179,188	147,864
179,188	**Cash at the end of the year**		**147,573**	**138,131**	**148,701**

Explanations of significant variances against the original 2023/24 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 2024

Capital commitments

The Ministry has no capital commitments at balance date (2023: nil).

Non-cancellable operating lease commitments

The Ministry has long-term leases on premises, which are subject to regular reviews. The amounts disclosed in the table 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 these costs, the Ministry expects to receive sub-lease rental recoveries of $2.001 million in 2024/25. Refer to Note 2 for actual sub-lease rental recoveries for 2023/24.

Actual 2023 $000		Actual 2024 $000
	Operating commitments	
	The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:	
48,032	Not later than one year	49,701
125,749	Later than one year and not later than five years	132,194
98,349	Later than five years	93,086
272,130	**Total non-cancellable operating lease commitments**	**274,981**
272,130	**Total commitments**	**274,981**

The accompanying notes form part of these financial statements.

Ministry of Social Development

Statement of Contingent Liabilities and Contingent Assets

As at 30 June 2024

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 2023 $000		Actual 2024 $000
115	Personal grievances	125
300	Legal proceedings and disputes	231
415	**Total contingent liabilities**	**356**

Personal grievances

Personal grievances claims represent amounts claimed by employees for personal grievances cases. There were four personal grievance claims (2023: four).

Legal proceedings and disputes

Other claims are represented by grievances claims from our clients and third parties for unpaid benefit entitlements and other disputes. Altogether there were nine claims in this category (2023: nine).

Contingent assets

The Ministry has no contingent assets (2023: 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 2024

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 Social Security Act 2018. The Ministry's ultimate parent is the New Zealand Crown. Whaikaha – Ministry of Disabled People is a departmental agency as defined by section 2 of the PFA, which is hosted within the Ministry. Unless explicitly stated references to the Ministry, in these financial statements, covers both the Ministry and Whaikaha.

The Ministry has also reported on Crown activities and trust monies that it administers in the non-departmental statements and schedules on pages 184 to 192.

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 2024 and were approved for issue by the Chief Executive on 30 September 2024.

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 1989, 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 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.

New or amended standards adopted

2022 Omnibus Amendment to PBE Standards

This Standard has been issued to amend the relevant Tier 1 and Tier 2 PBE Standards as a result of:

- PBE IPSAS 17 Property, Plant and Equipment: The amendments change the accounting for any net proceeds earned while bringing an asset into use by requiring the proceeds and relevant costs to be recognised in surplus or deficit rather than being deducted from the asset cost recognised.
- PBE IPSAS 30 Financial Instruments: Disclosures: The amendment specifically refers to disclosing the circumstances that result in fair value of financial guaranteed contracts not being determinable.
- PBE IPSAS 19 Provisions, Contingent Liabilities and Contingent Assets: The amendments clarify the costs of fulfilling a contract that an entity includes when assessing whether a contract will be loss-making or onerous (and therefore whether a provision needs to be recognised).

The Ministry has adopted PBE IPSAS 17, 30 and 19 for the first time this year. There has been little change as a result of adopting the new standards.

The changes are for financial statements covering periods beginning on or after 1 January 2023.

Other changes in accounting policies

There have been no other changes in the Ministry's accounting policies since the date of the last audited financial statements.

Standards issued and not yet effective and not early adopted

Standards and amendments that have been issued but are not yet effective and that have not been early adopted and that are relevant to the Ministry are:

Disclosure of Fees for Audit Firms' Services – Amendments to PBE IPSAS 1

Entities are required to disclose the fees incurred for services received from its audit or review firm, and a description of each service, using the following specified categories:

- Audit or review of the financial report
- Other non-audit and non-review services:
  - Audit or Review Related Services
  - Other Assurance Services and Other Agreed-Upon Procedures Engagements
  - Taxation Services
  - Other Services

The changes are for financial statements covering periods beginning on or after 1 January 2024.

The Ministry has not yet assessed in detail the impact of these amendments and the new standard. These amendments and the new standard are not expected to have a significant impact.

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 New Zealand dollars (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 include 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.

Crown payables

Crown payables are accounted for at amortised cost. They are initially and subsequently recorded at carrying value as being a reasonable approximation to amortised costs as they are typically short term in nature.

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 judgement in applying accounting policies:

- Classification of leases – refer to Note 16.

Budget and forecast figures

Basis of the budget and forecast figures

The 2024 budget figures are for the year ended 30 June 2024 and were published in the 2022/23 Annual Report as the unaudited forecast 2024 figures. They are consistent with the Ministry's best estimate financial forecast information submitted to the Treasury for the 2023 Pre-election Economic and Fiscal Update (PREFU).

The 2025 forecast figures are for the year ending 30 June 2025, and are consistent with the best estimate financial forecast information submitted to the Treasury for the Budget Economic and Fiscal Update (BEFU) for the year ending 30 June 2025.

The forecast financial statements have been prepared, as required by the PFA 1989, 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 2025 forecast figures have been prepared in accordance with PBE FRS 42 Prospective Financial Statements and comply with PBE FRS 42.

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 2025 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 2024/25 year. The forecast figures have been compiled on the basis of existing government policies and ministerial expectations at the time the Main Estimates were finalised.

The main assumptions, which were adopted as at end of April 2024, are as follows.

- 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 8,618 full-time-equivalent (FTE) staff positions as at the year ending 30 June 2025.
- 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 2023/24 was used as the opening position for the 2024/25 forecasts.

The actual financial results achieved for 30 June 2025 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, but 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 2023 $000		Actual 2024 $000
1,911	Sub-lease rental recoveries	1,689
17,703	Other recoveries	20,142
19,614	**Total revenue other**	**21,831**

The Ministry received other revenue for corporate support services from Oranga Tamariki – Ministry for Children (OT) and the Social Wellbeing Agency ($17.191 million), plus Other revenue ($2.951 million). The Ministry also received revenue from sub-leased premises ($1.689 million).

3. Gains and losses on disposal of property, plant and equipment

Actual 2023 $000		Actual 2024 $000
62	Gain on disposal of property, plant and equipment	427
(2)	Loss on disposal of property, plant and equipment	(611)
60	**Total gains/(losses)**	**(184)**

During the year the Ministry disposed of assets including motor vehicles that reached a predetermined mileage and/or life. The net gain on vehicles disposals was $0.408 million (2023: $0.060 million gain). The Ministry also disposed of other assets (Property, plant and equipment and Intangible assets) at a net loss of $0.592 million (2023: 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 2023 $000		Actual 2024 $000
768,563	Salaries and wages	841,608
6,857	Increase/(decrease) in employee entitlements	3,321
1,135	Increase/(decrease) in restructuring and relocation costs	19,238
23,611	Defined superannuation contribution scheme	25,327
11,079	Other personnel expenses	2,848
811,245	**Total personnel costs**	**892,342**

5. Capital charge

The capital charge is recognised as an expense in the financial year that the charge relates to.

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 2024 was 5 percent (2023: 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.

Operating expenses

Other expenses are recognised as goods and services are received.

Actual 2023 $000		Actual 2024 $000
1,057	Audit fees	1,139
19	Other services provided by our Auditors	-
78,140	Rental, leasing and occupancy costs	78,312
(630)	Impairment loss on receivables	(195)
273,425	Employment support and subsidies	260,022
48,379	Office operating expenses	50,603
134,302	IT related operating expenses	137,880
12,155	Intangible asset impairment	-
8,166	Travel expenses	5,310
108,904	Consultancy and contractors' fees	92,667
16,840	Professional fees	13,624
72,175	Other operating expenses	98,618
752,932	**Total operating expenses**	**737,980**

Audit fees include statutory audit fees only.

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 2023 $000		Actual 2024 $000
2,191	Gross receivables	1,461
(1,090)	Less: allowance for credit losses	(895)
1,101	**Net receivables**	**566**
	Receivables consist of	
1,101	Trade and other receivables	566
1,101	**Total receivables**	**566**

The expected credit loss rates for receivables as at 30 June 2024 and 30 June 2023 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 2023				as at 30 June 2024		
Gross $000	Impairment $000	Net $000		Gross $000	Impairment $000	Net $000
-	-	-	Not past due	-	-	-
845	-	845	Past due 1–30 days	137	-	137
78	-	78	Past due 31–60 days	65	-	65
16	-	16	Past due 61–90 days	148	-	148
1,252	(1,090)	162	Past due >91 days	1,111	(895)	216
2,191	**(1,090)**	**1,101**		**1,461**	**(895)**	**566**

The movement in the allowance for credit losses:

2023 $000		2024 $000
1,720	**Balance as at 1 July**	**1,090**
(630)	Increase/(decrease) in loss allowance made during the year	(195)
1,090	**Balance as at 30 June**	**895**

8. Crown receivable

Crown receivable represents cash not yet drawn down from the Treasury. As at 30 June 2024 Crown receivable was $233.282 million (2023: $240.801 million).

Actual 2023 $000		Actual 2024 $000
240,801	Crown receivable	233,282
240,801	**Total Crown receivable**	**233,282**

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 the write-down 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 2024 (2023: 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 2024.

The valuation involved a full 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.

There has been negative impact on the fair value assessments as a result of a downwards trend in the current property market situation. As a result of the full valuation, land and buildings decreased in value by $0.297 million (2023: no significant change). This is made up of an increase in building value of $1.310 million and a decrease in land value of $1.607 million. All gains and losses have been charged to the revaluation reserve and there was no impact on surplus/deficit.

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.

Motor vehicles

During the 2023/24 financial year, the Ministry reviewed the residual value policy of its motor vehicles fleet due to changing market conditions on the resale of the vehicles. As a result, the salvage values of motor vehicles have been revised to zero. Increase in the motor vehicle depreciation due to the removal of salvage value was $3.455 million.

Breakdown of property, plant and equipment and further information

	Land $000	Buildings $000	Furniture & Fittings $000	Computer Equipment $000	Motor Vehicles $000	Plant & Equipment $000	Total $000
Cost or revaluation							
Balance as at 1 July 2022	**9,661**	**26,505**	**144,572**	**80,212**	**13,260**	**4,196**	**278,406**
Additions by purchase	-	138	3,613	2,947	320	-	7,018
Revaluation increase/ (decrease)	-	-	-	-	-	-	-
Work in progress movement	-	1,765	22,974	(2,892)	1,480	(156)	23,171
Asset transfers	-	4	54	(869)	-	-	(811)
Other asset movement	-	(9,280)	9,278	-	-	-	(2)
Disposals	-	-	(123)	(26,503)	(386)	-	(27,012)
Balance as at 30 June 2023	**9,661**	**19,132**	**180,368**	**52,895**	**14,674**	**4,040**	**280,770**
Balance as at 1 July 2023	**9,661**	**19,132**	**180,368**	**52,895**	**14,674**	**4,040**	**280,770**
Additions by purchase	-	2,308	39,512	2,969	4,353	3,145	52,287
Revaluation increase/ (decrease)	(1,607)	(1,536)	-	-	-	-	(3,143)
Work in progress movement	-	(1,765)	(410)	3,363	(1,436)	-	(248)
Asset transfers	-	80	(970)	-	-	890	-
Other asset movement	-	-	-	-	-	-	-
Disposals	(297)	-	(79)	(1,161)	(2,709)	-	(4,246)
Balance as at 30 June 2024	**7,757**	**18,219**	**218,421**	**58,066**	**14,882**	**8,075**	**325,420**
Accumulated depreciation and impairment losses							
Balance as at 1 July 2022	**-**	**950**	**82,774**	**63,575**	**5,005**	**2,829**	**155,133**
Depreciation expense	-	958	12,639	5,698	1,682	1,097	22,074
Eliminate on disposal	-	-	(85)	(24,862)	(246)	-	(25,193)
Eliminate on revaluation	-	-	-	-	-	-	-
Asset transfers	-	-	-	(58)	-	-	(58)
Other asset movement	-	-	(1)	-	(1)	2	-
Balance as at 30 June 2023	**-**	**1,908**	**95,327**	**44,353**	**6,440**	**3,928**	**151,956**
Balance as at 1 July 2023	**-**	**1,908**	**95,327**	**44,353**	**6,440**	**3,928**	**151,956**
Depreciation expense	-	1,211	20,303	4,364	5,235	844	31,957
Eliminate on disposal	-	-	-	(1,161)	(1,754)	-	(2,915)
Eliminate on revaluation	-	(2,848)	-	-	-	-	(2,848)
Asset transfers	-	-	(293)	-	-	293	-
Other asset movement	-	-	-	-	-	-	-
Balance as at 30 June 2024	**-**	**271**	**115,337**	**47,556**	**9,921**	**5,065**	**178,150**
Carrying amounts							
At 1 July 2022	**9,661**	**25,555**	**61,798**	**16,637**	**8,255**	**1,367**	**123,273**
At 30 June and 1 July 2023	**9,661**	**17,224**	**85,041**	**8,542**	**8,234**	**112**	**128,814**
At 30 June 2024	**7,757**	**17,948**	**103,084**	**10,510**	**4,961**	**3,010**	**147,270**
Unaudited forecast carrying amount at 30 June 2025	**9,661**	**15,213**	**135,489**	**7,196**	**17,511**	**-**	**185,070**

Work in progress

The total amount of property, plant and equipment under construction and work in progress is $34.278 million (2023: $41.580 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.

Impairment

The Ministry had recognised an impairment loss of $0.080 million on work in progress tangible assets (2023: nil) for plant and equipment.

11. Intangible assets

Software acquisition and development

Acquired computer software and licences 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 2022	**579,049**	**579,049**
Additions by purchase and internally generated	79,624	79,624
Work in progress movement	(22,195)	(22,195)
Asset transfers	812	812
Other asset movement	-	-
Disposals	(21,510)	(21,510)
Balance as at 30 June 2023	**615,780**	**615,780**
Balance as at 1 July 2023	**615,780**	**615,780**
Additions by purchase and internally generated	45,224	45,224
Work in progress movement	(11,713)	(11,713)
Asset transfers	-	-
Other asset movement	-	-
Disposals	(14,516)	(14,516)
Balance as at 30 June 2024	**634,775**	**634,775**
Accumulated amortisation and impairment losses		
Balance as at 1 July 2022	**400,943**	**400,943**
Amortisation expense	48,734	48,734
Disposals	(11,184)	(11,184)
Asset transfers	59	59
Other asset movement	(1)	(1)
Impairment losses	-	-
Balance as at 30 June 2023	**438,551**	**438,551**
Balance as at 1 July 2023	**438,551**	**438,551**
Amortisation expense	49,755	49,755
Disposals	(13,936)	(13,936)
Asset transfers	-	-
Other asset movement	-	-
Impairment losses	-	-
Balance as at 30 June 2024	**474,370**	**474,370**
Carrying amounts		
At 1 July 2022	**178,106**	**178,106**
At 30 June and 1 July 2023	**177,229**	**177,229**
At 30 June 2024	**160,405**	**160,405**
Unaudited forecast carrying amount at 30 June 2025	**208,595**	**208,595**

Work in progress

The total amount of intangibles in the course of construction is $26.369 million (2023: $45.797 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 had recognised an impairment loss of $0.215 million on work in progress intangible assets (2023: $12.155 million) for internally generated software.

12. Accounts payables and accruals

Breakdown of payables and further information

2023 $000		Actual 2024 $000
	Payables and deferred revenue under exchange transactions	
12,084	Creditors	10,332
85,439	Accrued expenses	84,611
97,523	**Total payables and deferred revenue under exchange transactions**	**94,943**
	Payables and deferred revenue under non-exchange transactions	
48,481	GST payable	40,237
48,481	**Total payables and deferred revenue under non-exchange transactions**	**40,237**
146,004	**Total payables and deferred revenue**	**135,180**

Short-term payables are measured at the amount payable.

13. Return of operating surplus

Actual 2023 $000		Actual 2024 $000
90,887	Net surplus	82,626
	Add:	
-	Retained surplus	-
90,887	**Total repayment of surplus**	**82,626**

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 2023 $000		Actual 2024 $000
6,308	ACC Partnership programme	3,245
1,000	Restructuring provision	8,943
1,206	Lease reinstatement	1,605
10,223	Other provisions	8,574
18,737	**Total provisions**	**22,367**

Movements for each class of provision are as follows:

	ACC Partnership programme $000	Lease Rein-statement $000	Restructuring Provision $000	Operating Lease Incentive $000	Holidays Act $000	Total $000
2023						
Balance as at 1 July 2022	**6,941**	**1,255**	**157**	**7,083**	**2,665**	**18,101**
Additional provisions made	1,785	-	1,000	-	1,062	3,847
Amounts used	(1,960)	-	-	(586)	-	(2,546)
Unused amounts reversed	-	-	(157)	-	-	(157)
Discount unwind	-	(49)	-	-	-	(49)
Transfer to OT	(459)	-	-	-	-	(459)
Balance as at 30 June 2023	**6,307**	**1,206**	**1,000**	**6,497**	**3,727**	**18,737**
2024						
Balance as at 1 July 2023	**6,307**	**1,206**	**1,000**	**6,497**	**3,727**	**18,737**
Additional provisions made	-	350	8,943	-	-	9,293
Amounts used	(358)	-	-	(586)	-	(944)
Unused amounts reversed	(2,704)	-	(1,000)	-	(1,064)	(4,768)
Discount unwind	-	49	-	-	-	49
Transfer to OT	-	-	-	-	-	-
Balance as at 30 June 2024	**3,245**	**1,605**	**8,943**	**5,911**	**2,663**	**22,367**

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 2024. 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 three sites where a lease reinstatement provision had been established with a value of $1.605 million (2023: one site with a value of $1.206 million). The timing of any future lease reinstatement work is currently up to 11 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 $2.350 million (2023: $2 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 redundancies is $8.943 million (2023: $1 million). This is for staff members affected by a restructure in 2024 in the Organisational Assurance and Communication, People and Capability, Strategy and Insights and Transformation Group of the Ministry.

The total restructuring provision as at 30 June 2024 is $8.943 million (2023: $1 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 GAAP.

Holidays Act provision

The Holidays Act 2003 provision accounts for any Ministry payroll compliance issues associated with the Act. 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 $2.663 million (2023: $3.727 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 2023				as at 30 June 2024		
2024 %	2025 %	2026 %	Employee entitlement Variables	2025 %	2026 %	2027 %
5.43	4.85	4.84	Discount rates	5.30	4.49	5.11
3.35	3.35	3.35	Salary inflation	3.33	3.33	3.33

The financial impact of changes to the discount rates and salary inflation variables:

Movements	Actual 2024 $000	Salary inflation + 1% 2024 $000	Salary inflation - 1% 2024 $000	Discount + 1% 2024 $000	Discount - 1% 2024 $000
Current	12,162	12,197	12,128	12,134	12,191
Non-current	25,909	27,589	24,356	24,527	27,427
Total	**38,071**	**39,786**	**36,484**	**36,661**	**39,618**

Breakdown of employee entitlements

Actual 2023 $000		Actual 2024 $000
	Current liabilities	
12,702	Retirement gratuities and long service leave	12,162
52,578	Annual leave	54,183
23,000	Salary accrual	23,418
3,114	Sick leave	3,274
91,394	**Total current liabilities**	**93,037**
	Non-current liabilities	
25,403	Retirement gratuities and long service leave	25,909
25,403	**Total non-current liabilities**	**25,909**
116,797	**Total employment entitlements**	**118,946**

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 2024 (2023: 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 2023 $000		Actual 2024 $000
	Taxpayers' funds	
319,138	**Balance at 1 July**	**337,509**
90,887	Surplus/(deficit)	82,626
80,720	Capital injection-cash	25,991
143	Capital injection - non-cash	-
(61,726)	Capital withdrawal - cash	(45,774)
(765)	Capital withdrawal - non cash	-
(90,887)	Repayment of surplus	(82,626)
(1)	Other movements	-
337,509	**Balance at 30 June**	**317,726**
	Revaluation reserves	
33,945	**Balance at 1 July**	**33,945**
-	Revaluation gain	2,741
-	Revaluation losses	(3,038)
-	Other movements	-
33,945	**Balance at 30 June**	**33,648**
371,454	**Total Equity**	**351,374**

18. Reconciliation of net surplus/(deficit) to net cash from operating activities

Actual 2023 $000		Actual 2024 $000
90,887	**Net surplus/(deficit)**	**82,626**
	Add/(less) non-cash items	
22,074	Depreciation	31,957
48,734	Amortisation	49,755
70,808	**Total non-cash items**	**81,712**
	Add/(less) items classified as investing or financing activities	
(60)	(Gains)/losses on disposal property, plant and equipment	184
(60)	**Total items classified as investing or financing activities**	**184**
	Add/(less) working capital movements	
(173,623)	(Increase)/decrease in accounts receivable	8,054
(4,043)	(Increase)/decrease in prepayments	(4,651)
14,873	Increase/(decrease) in accounts payable	(10,828)
12,021	Increase/(decrease) in provision for employee entitlements	1,642
636	Increase/(decrease) other provisions	3,630
(150,136)	**Net movements in working capital items**	**(2,153)**
	Add/(less) movements in non-current liabilities	
(385)	Increase/(decrease) in provision for employee entitlements	506
(385)	**Net movements in non-current liabilities**	**506**
11,114	**Net cash inflow from operating activities**	**162,875**

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

Nil.

Key management personnel compensation

Actual 2023		Actual 2024
	Ministry of Social Development Leadership Team, including the Chief Executive	
3,480,894	Remuneration	2,977,107
9.0	Full-time equivalent members	8.2
	Whaikaha Leadership Team, including the Chief Executive	
1,249,568	Remuneration	1,802,383
4.0	Full-time equivalent members	6.0

The above key management personnel disclosure excludes the Minister for Social Development and Employment and the Minister for Disability Issues. The Minister's remuneration and other benefits are received not only for their role(s) as a member of the key management personnel of the relevant 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

In August 2024, Cabinet agreed to disestablish Whaikaha – Ministry of Disabled People as a departmental agency within the Ministry of Social Development. The Disability Support Services and related functions will transfer from Whaikaha to the Ministry of Social Development. A new Disability Ministry will be established as a standalone public service department before 1 January 2025, with responsibility for leading and influencing policy as it pertains to disabled people, monitoring the effectiveness of government services for the disability community, and assisting the government to engage and manage relationships with the community. These changes are not included in the forecast financial statements for 2024/25.

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 IPSAS 41 financial instrument categories are as follows:

Actual 2023 $000		Actual 2024 $000
	Financial assets measured at amortised cost	
179,188	Cash and cash equivalents	147,573
1,101	Receivables (excluding taxes receivable)	566
180,289	**Total financial assets measured at amortised cost**	**148,139**
	Financial liabilities measured at amortised cost	
97,523	Payables (excluding income in advance and tax payments)	94,942
97,523	**Total financial liabilities measured at amortised cost**	**94,942**

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 2023/24, there were no instruments recognised at fair value in the Statement of Financial Position (2023: 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 2024, there were no significant foreign exchange exposures that required a sensitivity analysis to be prepared (2023: 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 2024 are subject to the expected credit loss requirements of PBE IPSAS 41, 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 drawdowns 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 2023 $000		Actual 2024 $000
	Creditors and other payables	
97,523	Less than six months	94,942
97,523	**Total creditors and other payables**	**94,942**

Contractual maturity analysis of derivative financial instrument liabilities

The Ministry currently does not have any forward exchange contract derivatives (2023: nil).

22. Explanation of major variances against budget

	Notes	Actual 2024 $000	Unaudited Budget 2024 $000	Variance 2024 $000
Statement of Comprehensive Revenue and Expense				
Expenses				
Personnel costs	a	892,342	787,437	104,905
Depreciation and amortisation expenses	b	81,712	47,390	34,322
Other operating expenses	c	737,980	826,972	(88,992)
Statement of Financial Position				
Assets				
Current assets				
Crown receivable	d	233,282	129,914	103,368
Non-current assets				
Property, plant and equipment	e	147,270	181,089	(33,819)
Intangible assets	f	160,405	197,926	(37,521)
Liabilities				
Current liabilities				
Payables and accruals	g	135,180	168,635	(33,455)
Statement of Changes in Equity				
Capital withdrawal - cash	h	(45,774)	(3,932)	(41,842)
Statement of Cash Flows				
Cash flows from operating activities				
Payments to employees	i	(885,187)	(787,437)	(97,750)

Statement of Comprehensive Revenue and Expense

(a) Personnel costs is higher than budgeted by $104.905 million, mainly due to general remuneration cost pressure increases including for public sector pay adjustments and restructure and voluntary redundancy payments in 2024/25.

(b) Depreciation and amortisation expenses is higher than budgeted by $34.322 million, mainly due to higher-than-expected capitalisation of Intangible assets work in progress in 2024/25.

(c) Other operating expenses is lower than budgeted by $88.992 million, mainly due to less demand for employment related programmes and unspent funding for specific projects being transferred forward for the continuation of those initiatives in 2024/25 including for historical claims and Te Pae Tawhiti Horizon One.

Statement of Financial Position

(d) Crown receivables is higher than budgeted by $103.368 million, mainly due to less funding required during the financial year, resulting in a greater Crown receivable balance at year-end. This is mainly due to the timing of cash requirements for the Ministry for both capital and operating funding. The transfer of funding between financial years impacts the Crown receivables balance. In-principle expense and multi-year funding transfers are being sought for up to $87 million to be transferred forward to the 2024/25 financial year.

(e) Property, plant and equipment is lower than budgeted by $33.819 million, mainly due to budget phasing of the Service Centre for the Future programme, which is forecast to be fully completed in 2024/25, and changes to our fleet transition programme.

(f) Intangible assets are lower than budgeted by $37.521 million, mainly due to delays with the completion of capital works. Unspent work in progress that requires capital funding has been assessed for carry forward to 2024/25. This includes for Te Pae Tawhiti Horizon One and the Technology and Income portfolio with long-term projects extending beyond June 2024.

(g) Payables and accruals are lower than budgeted by $33.455 million, mainly due to the timing of accrued expenses and cash payments including for the settlement of outstanding invoices.

Statement of Changes in Equity

(h) Capital withdrawal – cash, is higher than budgeted by $41.842 million. This is mainly due to a capital-to-operating swap for Software as a Service configuration costs ($20 million), Corporate Platform-Capital to Operating Swap ($13.066 million) and the discontinuation of the Wage Supplement initiative to replace the minimum wage exemption ($8.334 million).

Statement of Cash Flows

(i) Payments to employees is higher than budgeted by $97.750 million, this is mainly due to general remuneration cost pressure increases including for public sector pay adjustments and restructure and voluntary redundancy payments in 2024/25.

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.

In the 2023/24 financial year, the Ministry had been looking to reduce reliance on contractors and consultants to backfill vacant positions.

Expenditure on contractors and consultants is as follows:

Actual 2023 $000		Notes	Actual 2024 $000
108,904	Contractors and consultants - operating	6	92,667
108,904	**Total contractors and consultants - operating**		**92,667**
31,013	Contractors and consultants - capitalised to assets	11	21,858
31,013	**Total contractors and consultants - capital**		**21,858**
139,917	**Total contractors and consultants**		**114,525**

Expenditure on contractors and consultants has decreased by $25.392 million. A significant driver for this decrease has been the Government mandate to reduce the Contractor and consultants spend from 2022/23 levels. This decrease in expenditure is forecast to continue into 2024/25.

24. Gain and losses on non-fixed assets and foreign exchange

Actual 2023 $000		Actual 2024 $000
104	(Gain)/Loss on non-fixed assets	3
12	(Gain)/Loss on foreign currency exchange	-
116	**Total losses**	**3**

25. Expenditure appropriated, reconciled to operating expenses

Actual 2023 $000		Actual 2024 $000
1,653,552	Total expenditure appropriated (Before remeasurement)	1,729,746
	Reconciling items	
	Remeasurements	
(818)	Long Service Leave and Retirement Leave	(185)
(818)	**Total reconciling items**	**(185)**
1,652,734	**Total expenses per Statement of Comprehensive Revenue and Expense**	**1,729,561**

Non-Departmental Statements and Schedules

For the year ended 30 June 2024

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 2024

Actual 2023 $000		Notes	Actual 2024 $000	Unaudited Budget 2024 $000
(28)	Interest revenue		139	-
(16,314)	Maintenance capitalisation		11,860	450
18,193	Programme recoveries		16,134	20,798
7,102	Student Loan - administration fee	3	7,088	8,062
(1,497)	Income Related Rent Subsidy recoveries		775	511
7,456	**Total non-departmental revenue**		**35,996**	**29,821**

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 2023/24.

Schedule of Non-Departmental Capital Receipts

For the year ended 30 June 2024

Actual 2023 $000		Notes	Actual 2024 $000	Unaudited Budget 2024 $000
382,794	Benefit recoveries - current debt		409,781	405,857
(301)	Benefit recoveries - liable parent contributions		-	(294)
101,705	Benefit recoveries - non-current debt		115,288	92,815
379,537	Overseas pension recoveries		413,457	394,316
98,007	Student Loans - repayment of principal	3	96,751	106,243
961,742	**Total non-departmental capital receipts**		**1,035,277**	**998,937**

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 2023/24.

Schedule of Non-Departmental Expenses

For the year ended 30 June 2024

Actual 2023 $000		Notes	Actual 2024 $000	Unaudited Budget 2024 $000
2,593,071	Non-departmental output expenses		2,802,276	2,777,962
684,217	Non-departmental other expenses	6	337,419	393,201
1,775,154	Non-departmental capital expenditure		1,849,916	2,073,892
32,440,292	Benefits or related expenses	7	35,663,484	35,991,537
384,940	Other operating expenses		421,017	447,566
37,877,674	**Total non-departmental expenses**		**41,074,112**	**41,684,158**

Explanations of significant variances against budget are set out in Note 5.

Non-departmental other expenses included significant COVID-19 and related expenditure which decreased in 2023/24 with the closure of the COVID-19 Leave Support Scheme in August 2023. For additional details, refer to Note 6.

For additional details on Benefits or Related expenses, refer to Note 7.

The Other operating expenses of $421.017 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 2023/24.

Schedule of Non-Departmental Assets

As at 30 June 2024

Actual 2023 $000		Notes	Actual 2024 $000	Unaudited Budget 2024 $000
	Current assets			
507,379	Cash and cash equivalents	4	532,455	537,379
403,736	Receivables	2	401,903	590,425
-	Prepayments - benefits and allowances		700	-
911,115	**Total current assets**		**935,058**	**1,127,804**
	Non-current assets			
987,940	Receivables	2	1,093,393	910,175
33	Other advances		33	29
3,721	Crown equity investment in Crown Entity		5,021	3,721
991,694	**Total non-current assets**		**1,098,447**	**913,925**
1,902,809	**Total non-departmental assets**		**2,033,505**	**2,041,729**

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 2023/24.

Schedule of Non-Departmental Liabilities

As at 30 June 2024

Actual 2023 $000		Notes	Actual 2024 $000	Unaudited Budget 2024 $000
	Current liabilities			
1,090,517	Accruals - other than government departments		1,361,829	1,501,017
128,229	Tax payable		-	-
4,176	Other current liabilities		128,671	2,909
1,222,922	**Total non-departmental liabilities**	4	**1,490,500**	**1,503,926**

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 2023/24.

Schedule of Non-Departmental Commitments

As at 30 June 2024

The Ministry, on behalf of the Crown, has no commitments as at 30 June 2024 (2023: nil).

Schedule of Non-Departmental Contingent Liabilities and Contingent Assets

As at 30 June 2024

Unquantifiable contingent liabilities

The Ministry, on behalf of the Crown, has unquantifiable contingent liabilities related to Disability Support Services and employment obligations administered by Whaikaha as at 30 June 2024 (2023: nil). The Crown has appealed aspects of an Employment Court decision that would create employment obligations for Whaikaha towards many people who provide 24/7 care to disabled family members. The Crown was largely successful in overturning the Employment Court decisions in the Court of Appeal. Family Carers have applied for leave to appeal the Court of Appeal decision in the Supreme Court. Other legal action is ongoing in relation to this case with the Employment Relations Authority and the Employment Court.

Quantifiable contingent liabilities

There are no quantifiable cases lodged against the Ministry that remain unresolved as at 30 June 2024 (2023: 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 2024.

Quantifiable contingent assets

The Ministry, on behalf of the Crown, has no quantifiable contingent assets as at 30 June 2024 (2023: 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 2023/24.

Statement of Trust Monies

For the year ended 30 June 2024

The Ministry operates trust accounts as the agent under section 66 of the PFA 1989. The transactions through these accounts and their balances as at 30 June 2024 are not included in the Ministry's own financial statements. Movements in these accounts during the year ended 30 June 2024 were:

Actual 2023 $000		Actual 2024 $000
	Australian Embargoed Arrears	
838	**Balance at 1 July**	**2,243**
16,946	Contributions	33,763
(15,541)	Distributions	(32,863)
-	Revenue	-
2,243	**Balance at 30 June**	**3,143**
	Maintenance	
333	**Balance at 1 July**	**96**
318	Contributions	275
(555)	Distributions	(349)
-	Revenue	-
96	**Balance at 30 June**	**22**
	Netherlands Debt	
16	**Balance at 1 July**	**14**
164	Contributions	173
(166)	Distributions	(181)
-	Revenue	-
14	**Balance at 30 June**	**6**
2,353	**Total trust monies**	**3,171**

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 2023/24.

Notes to the Non-Departmental Statements and Schedules

For the year ended 30 June 2024

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 2024. 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 2024.

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 GAAP (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 and all values are rounded to the nearest thousand dollars ($000).

New or amended standards adopted

2022 Omnibus Amendment to PBE Standards

This Standard has been issued to amend the relevant Tier 1 and Tier 2 PBE Standards as a result of:

- PBE IPSAS 30 Financial Instruments: Disclosures: The amendment specifically refers to disclosing the circumstances that result in fair value of financial guaranteed contracts not being determinable.
- PBE IPSAS 19 Provisions, Contingent Liabilities and Contingent Assets: The amendments clarify the costs of fulfilling a contract that an entity includes when assessing whether a contract will be loss-making or onerous (and therefore whether a provision needs to be recognised).

The Ministry has adopted PBE IPSAS 30 and 19 for the first time this year. There has been little change as a result of adopting the new standards.

The changes are for financial statements covering periods beginning on or after 1 January 2023.

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 IR.

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 meant there was little delay between application and payment, and little estimation uncertainty.

The wage subsidy scheme was last operational during the period 20 August to 9 December 2021. There have been some retrospective payments made since that time including for the 2023/24 financial year.

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 as at the 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 2024 budget figures are for the year ended 30 June 2024, which are consistent with the best estimate financial information submitted to the Treasury for the PREFU for the year ended 30 June 2024.

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 2024. 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.
- 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 2.5 percent to obtain risk-adjusted discount 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 7.07 percent and 7.80 percent (7.12 percent and 7.93 percent as at 30 June 2023).

The fair value of the portfolio as at 30 June 2024 is $1,426 million ($1,304 million as at 30 June 2023).

Social benefit and other receivables

As at 30 June 2024

Actual 2023 $000		Actual 2024 $000
	Social benefit receivables	
2,462,384	Nominal value of receivables	2,695,175
2,462,384	Gross value of receivables	2,695,175
(1,158,416)	less provision for impairment	(1,268,767)
1,303,968	Net social benefit receivables	1,426,408
87,711	Other receivables	68,888
1,391,679	**Total receivables**	**1,495,296**
	Total receivables are represented by:	
403,736	Current	401,903
987,940	Non-current	1,093,393
1,391,676	**Balance at end of the year**	**1,495,296**
	Social benefit receivables	
	Movements in the carrying value of the loans are as follows:	
1,313,975	**Balance at 1 July**	**1,303,968**
367,094	Face value of new receivables during the year	537,158
(484,198)	Receivables repaid during the year	(525,069)
107,097	Subsequent net impairment	110,351
1,303,968	**Balance at 30 June**	**1,426,408**

Impairment is calculated on a collective basis, not on an individual basis. There was a positive net movement in impairment of $110.351 million during the 2023/24 year (2023: positive $107.097 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 $64 million. A decrease in the discount rate of 1 percent would increase fair value by approximately $70 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. The different interest rates used for various duration years have changed between negative 0.25 percent and positive 0.28 percent for the 2023/24 financial year (2022/23: changed between negative 0.10 percent and positive 1.59 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 2024

Actual 2023 $000		Actual 2024 $000
	Student Loans	
-	**Opening nominal balance**	**-**
1,362,168	New lending	1,437,736
(98,007)	Repayment	(96,751)
(1,271,263)	Loan balance transfer to IR	(1,348,071)
7,102	Administration fee	7,088
-	**Closing nominal balance**	**2**
-	**Net carrying value of Student Loans**	**2**

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 2023 $000		Actual 2024 $000
	Financial assets measured at amortised cost	
507,379	Cash and cash equivalents	532,455
59,410	Debtors and other receivables	68,888
566,789	**Total financial assets measured at amortised cost**	**601,343**
	Fair value through surplus or deficit - held for trading	
-	Derivative financial instrument liabilities	-
	Financial liabilities measured at amortised cost	
1,094,693	Creditors and other payables	1,490,500

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, and 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 2024 are subject to the expected credit loss requirements of PBE IPSAS 41, 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 drawdowns 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 2023 $000		Actual 2024 $000
	Creditors and other payables	
1,094,693	Less than six months	1,490,500
1,094,693		**1,490,500**

Contractual maturity analysis of derivative financial instrument liabilities

The Ministry currently does not have any forward exchange contract derivatives (2023: nil).

5. Explanation of major variances against budget

Schedule of Revenue and Expenses

Benefits or related expenses were lower than budgeted by $328.053 million. This was mainly driven by lower-than-expected payments for Student Allowances, Hardship Assistance, Accommodation Assistance and New Zealand Superannuation which were demand driven.

Non-departmental capital expenditure expenses were lower than budgeted by $223.976 million, mainly due to the Student Loan variance of ($134.204 million) against the unaudited budget. This was driven by a lower number of loan recipients and a lower average amount per student loans than previously forecast.

Schedule of Assets and Liabilities

Current receivables were lower than budget by $188.522 million, whereas non-current receivables were higher than budget by $183.218 million. The net budget variance between the categories was only $5.304 million. The attribution of budget between current and non-current debt was based on historical trends. The actual levels of current and non-current debt were impacted by the value of new receivables during the year and by the calculation of impairment on social benefit debt.

6. Non-departmental other expenses

Non-departmental other expenses include COVID-19 related expenditure and other expenditure.

Actual 2023 $000		Actual 2024 $000
	COVID-19 Wage Subsidy Related Expenditure	
310	Business Support Subsidy COVID-19	690
141,337	Apprentice Support	89,720
273,192	COVID-19 Leave Support Scheme	13,481
414,839	**Total COVID-19 related expenditure**	**103,891**
269,378	Other expenditure	233,528
684,217	**Total Non-departmental other expenses**	**337,419**

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 2024, accumulated repayments worth $893.3 million had been identified of which $826.0 million (more than 92 percent) had been repaid. Wage subsidy recoveries have been offset against wage subsidy-related expenditure in the years that the scheme was operational (the scheme closed in December 2021). Wage subsidy recoveries related to the Business Support Subsidy scheme in 2023/24 are recognised as miscellaneous revenue.

7. Benefits or related expenses

Benefits or related expenses includes the following significant expenditure types:

Actual 2023 $000		Actual 2024 $000
	Benefits or related expenses	
2,348,671	Accommodation Assistance	2,410,658
430,421	Disability Assistance	463,614
673,378	Hardship Assistance	667,421
3,472,612	Jobseeker Support and Emergency Benefit	4,062,221
19,517,021	New Zealand Superannuation	21,574,368
350,369	Orphan's/Unsupported Child's Benefit	383,743
1,916,529	Sole Parent Support	2,097,032
525,038	Student Allowances	525,895
2,310,769	Supported Living Payment	2,530,299
895,484	Other Benefits or related expenses	948,233
32,440,292	**Total Benefits or related expenses**	**35,663,484**

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 2024. 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.
- **Appropriation** voted figures are from the 2023/24 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 Children and Young People's Commission
  3. Vote Social Development Non-Departmental Appropriations Report
  4. Annual Report of the Social Workers Registration Board
  5. Annual Report of the Peke Waihanga Artificial Limb Service
  6. No reporting required due to an exemption obtained under section 15D of the PFA 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 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 2024

Annual and permanent appropriations for the Ministry of Social Development

Expenditure After Remeasurements 2023 $000	Appropriation Title	Expenditure After Remeasurements 2024 $000	Remeasurements 2024 $000	Expenditure Before Remeasurements 2024 $000	Appropriation Voted 2024 $000	Location of End-of-year Performance Information
	Vote Social Development					
	Departmental Output Expenses					
7,413	Administration of Service Cards	7,258	(1)	7,259	7,962	1
16,956	Corporate Support Services	17,230	-	17,230	17,462	6
39,746	Data, Analytics and Evidence Services	40,028	(4)	40,032	48,530	1
1,506	Enhancement and Promotion of SuperGold Cards	1,398	-	1,398	1,723	1
1,980	Establishing a Ministry for Disabled People	-	-	-	544	1
56,957	Income Support and Assistance to Seniors	60,623	(13)	60,636	61,890	1
8,320	Independent Monitoring and Assurance of the Oranga Tamariki System	-	-	-	-	
113	Investigating and Responding to Alleged Social Work Offending	112	-	112	247	1
53,400	Investigation of Overpayments and Fraudulent Payments and Collection of Overpayments	57,495	(11)	57,506	58,618	1
23,621	Management of Student Loans	23,930	(4)	23,934	24,730	1
23,626	Management of Student Support	23,935	(4)	23,939	24,753	1
4,419	Planning, Correspondence and Monitoring	3,960	-	3,960	4,089	1
20,386	Policy Advice	20,865	(3)	20,868	21,790	1
713	Processing of Veterans' Pensions	700	-	700	783	1

Expenditure After Remeasure-ments 2023 $000	Appropriation Title	Expenditure After Remeasure-ments 2024 $000	Remeasure-ments 2024 $000	Expenditure Before Remeasure-ments 2024 $000	Appropria-tion Voted 2024 $000	Location of End-of-year Performance Information
2,698	Promoting Positive Outcomes for Seniors	2,841	-	2,841	2,875	1
71,414	Services to Support People to Access Accommodation	77,194	(13)	77,207	81,758	1
333,268	**Total Departmental Output Expenses**	**337,569**	**(53)**	**337,622**	**357,754**	
	Departmental Other Expenses					
49,361	Te Pae Tawhiti Transformation Programme	-	-	-	-	
49,361	**Total Departmental Other Expenditure**	**-**	**-**	**-**	**-**	
	Departmental Capital Expenditure					
77,238	Ministry of Social Development – Capital Expenditure Permanent Legislative Authority Under Section 24(1) of the Public Finance Act	84,245	-	84,245	141,298	1
77,238	**Total Departmental Capital Expenditure**	**84,245**	**-**	**84,245**	**141,298**	
	Non-Departmental Output Expenses					
-	Children and Young People's Commission	10,824	-	10,824	10,824	2
5,147	Children's Commissioner	-	-	-	-	
88,678	Community Participation Services	95,577	-	95,577	123,108	3
-	Drivers Licence Support Employment Assistance	13,547	-	13,547	15,000	3
917	Housing Place-Based Approaches	917	-	917	917	6
2,942	Peke Waihanga - New Zealand Artificial Limb Service	-	-	-	-	
2,564	Social Workers Registration Board	2,363	-	2,363	2,363	4
4,212	Student Placement Services	4,427	-	4,427	4,427	6
16,584	Supporting Equitable Pay for Care and Support Workers	17,976	-	17,976	19,875	6
121,044	**Total Non-Departmental Output Expenses**	**145,631**	**-**	**145,631**	**176,514**	

Expenditure After Remeasurements 2023 $000	Appropriation Title	Expenditure After Remeasurements 2024 $000	Remeasurements 2024 $000	Expenditure Before Remeasurements 2024 $000	Appropriation Voted 2024 $000	Location of End-of-year Performance Information
	Non-Departmental Other Expenses					
141,337	Apprentice Support	89,720	-	89,720	111,523	6
310	Business Support Subsidy COVID-19	690	-	690	690	6
273,192	COVID-19 Leave Support Scheme	13,481	-	13,481	20,000	6
135,886	Debt Write-downs	136,921	(1,327)	138,248	144,119	6
370	Disability-related Legal Expenses	286	-	286	3,194	6
2,975	Emergency Housing Support Package	1,821	-	1,821	3,000	6
1,661	Extraordinary Care Fund	2,040	-	2,040	2,308	6
22,177	Out of School Care and Recreation Programmes	22,223	-	22,223	23,901	3
4,973	Reimbursement of Income Related Rent Overpayments	5,060	-	5,060	6,197	6
582,881	**Total Non-Departmental Other Expenses**	**272,242**	**(1,327)**	**273,569**	**314,932**	
	Non-Departmental Capital Expenditure					
-	Children and Young People's Commission Capital Programme	1,300	-	1,300	1,300	2
3,693	Peke Waihanga - New Zealand Artificial Limb Service Capital Injections	-	-	-	-	
376,271	Recoverable Assistance	300,886	-	300,886	334,543	6
28	Social Workers Registration Board Capital Injection	-	-	-	-	
1,362,168	Student Loans	1,437,736	-	1,437,736	1,474,980	6
1,742,160	**Total Non-Departmental Capital Expenditure**	**1,739,922**	**-**	**1,739,922**	**1,810,823**	
	Multi-Category Appropriations					
460,698	**Community Support Services MCA**	**370,706**	**(7)**	**370,713**	**421,005**	
	Departmental Output Expenses					
51,720	Developing and Managing Community Services	43,539	(7)	43,546	47,907	1

Expenditure After Remeasurements 2023 $000	Appropriation Title	Expenditure After Remeasurements 2024 $000	Remeasurements 2024 $000	Expenditure Before Remeasurements 2024 $000	Appropriation Voted 2024 $000	Location of End-of-year Performance Information
-	Regional System Leadership Framework	6,922	-	6,922	8,060	1
	Non-Departmental Output Expenses					
-	Community Connectors	32,867	-	32,867	39,437	1
162,236	Community Support and Advice	53,519	-	53,519	68,639	1
2,400	Expansion of Kāinga Whānau Ora Pilot	-	-	-	-	
1,642	Improving Children's Participation in Education	1,469	-	1,469	1,643	6
9,880	Participation and Support Services for Seniors	12,072	-	12,072	13,996	1
6,174	Place-Based Approaches	6,364	-	6,364	6,691	1
158,003	Supporting Victims and Perpetrators of Family and Sexual Violence	177,917	-	177,917	193,212	1
	Non-Departmental Other Expenses					
68,643	Community Response to Adverse or Emergency Events	36,037	-	36,037	41,420	1
39,410	**Housing Support Assistance MCA**	**111,613**	**-**	**111,613**	**127,572**	
	Non-Departmental Output Expenses					
445	Provision to better prepare people to access and sustain private rentals	1,018	-	1,018	2,063	6
	Non-Departmental Other Expenses					
5,971	Non-Recoverable Housing Support Assistance	601	-	601	3,678	1
	Non-Departmental Capital Expenditure					
32,994	Recoverable Housing Support Assistance	109,994	-	109,994	121,831	6
1,297,075	**Improved Employment and Social Outcomes Support MCA**	**1,292,945**	**(124)**	**1,293,069**	**1,298,294**	
	Departmental Output Expenses					
466,162	Administering Income Support	505,427	(72)	505,499	513,816	1
549,457	Improving Employment Outcomes	553,516	(48)	553,564	528,962	1

Expenditure After Remeasurements 2023 $000	Appropriation Title	Expenditure After Remeasurements 2024 $000	Remeasurements 2024 $000	Expenditure Before Remeasurements 2024 $000	Appropriation Voted 2024 $000	Location of End-of-year Performance Information
-	Improving Employment Outcomes to Support People Impacted by Extreme Weather Events	3,629	-	3,629	23,212	1
120,688	Improving Work Readiness Outcomes	126,041	(3)	126,044	126,368	1
5,197	Jobs and Skills Hubs	5,111	(1)	5,112	5,522	1
	Non-Departmental Output Expenses					
9,756	Drivers Licence Employment Assistance	-	-	-	-	
52,553	He Poutama Rangatahi	41,635	-	41,635	41,957	1
40,983	Māori Trades and Training Programmes	30,235	-	30,235	31,106	1
-	Pacific Employment and Training Programmes	2,208	-	2,208	2,208	1
	Non-Departmental Other Expenses					
52,279	Flexi-Wage Employment Assistance	25,143	-	25,143	25,143	1
22,443	**Partnering for Youth Development MCA**	**21,097**	**-**	**21,097**	**22,795**	
	Departmental Output Expenses					
4,094	Administering Youth Development	3,853	-	3,853	5,238	1
	Non-Departmental Output Expenses					
18,349	Delivering Youth Development	17,244	-	17,244	17,557	1
2,058,791	**Supporting tāngata whaikaha Māori and disabled people MCA**	**2,331,078**	**(1)**	**2,331,079**	**2,361,058**	
	Departmental Output Expenses					
8,752	Connecting people with supports and communities	8,270	-	8,270	12,385	1
40,433	Stewardship of the Disability System	40,642	(1)	40,643	59,017	1
	Non-Departmental Output Expenses					
710,777	Community-based Support Services	826,564	-	826,564	824,739	1
58,553	Connecting and Strengthening Disability Communities	67,377	-	67,377	72,462	1

Expenditure After Remeasurements 2023 $000	Appropriation Title	Expenditure After Remeasurements 2024 $000	Remeasurements 2024 $000	Expenditure Before Remeasurements 2024 $000	Appropriation Voted 2024 $000	Location of End-of-year Performance Information
37,343	Early Intervention Support Services	59,804	-	59,804	55,628	1
213,366	Environmental Support Services	235,015	-	235,015	236,701	1
989,567	Residential-based Support Services	1,091,337	-	1,091,337	1,096,680	1
	Non-Departmental Other Expenses					
-	Community Capacity and Support	2,069	-	2,069	3,446	1
3,878,417	**Total Multi-Category Appropriations**	**4,127,439**	**(132)**	**4,127,571**	**4,230,724**	
	Benefits or Related Expenses					
2,348,671	Accommodation Assistance	2,410,658	-	2,410,658	2,480,339	6
138,626	Childcare Assistance	164,727	-	164,727	181,758	6
430,421	Disability Assistance	463,614	-	463,614	470,153	6
673,378	Hardship Assistance	667,421	-	667,421	710,624	6
3,472,612	Jobseeker Support and Emergency Benefit	4,062,221	-	4,062,221	4,102,614	6
19,517,021	New Zealand Superannuation	21,574,368	-	21,574,368	21,596,861	6
350,369	Orphan's/Unsupported Child's Benefit	383,743	-	383,743	387,011	6
1,916,529	Sole Parent Support	2,097,032	-	2,097,032	2,109,996	6
10,262	Special Circumstance Assistance	10,510	-	10,510	11,590	6
525,038	Student Allowances	525,895	-	525,895	550,163	6
17,721	Study Scholarships and Awards	17,719	-	17,719	26,834	6
2,310,769	Supported Living Payment	2,530,299	-	2,530,299	2,546,102	6
11,676	Training Incentive Allowance	13,949	-	13,949	19,465	6
2	Transitional Assistance	2	-	2	126	6
131,262	Veterans' Pension	130,844	-	130,844	132,263	6
518,860	Winter Energy Payment	536,531	-	536,531	553,499	6
4,390	Work Assistance	3,129	-	3,129	4,379	6
62,685	Youth Payment and Young Parent Payment	70,822	-	70,822	72,428	6
32,440,292	**Total Benefits or Related Expenses**	**35,663,484**	**-**	**35,663,484**	**35,956,205**	
39,224,661	**Total Annual and Permanent Appropriations**	**42,370,532**	**(1,512)**	**42,372,044**	**42,988,250**	

Expenditure After Remeasurements 2023 $000	Appropriation Title	Expenditure After Remeasurements 2024 $000	Remeasurements 2024 $000	Expenditure Before Remeasurements 2024 $000	Appropriation Voted 2024 $000	Location of End-of-year Performance Information
	Multi-Year Appropriations					
	Departmental Output Expenses					
23,602	Historic Claims Resolution MYA	48,674	-	48,674	78,307	1
	Departmental Other Expenses					
-	Te Pae Tawhiti - Horizon One MYA	46,368	-	46,368	69,728	1
23,602	**Total Multi-Year Appropriations**	**95,042**	**-**	**95,042**	**148,035**	
39,248,263	**Total Vote Social Development**	**42,465,574**	**(1,512)**	**42,467,086**	**43,136,285**	

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 PFA 1989.

Statement of Expenses and Capital Expenditure incurred without, or in excess of, appropriation or other authority

For the year ended 30 June 2024

Appropriation title	Expenditure After Remeasurements 2024 $000	Appropriation Voted 2024 $000	Unappropriated expenditure 2024 $000
Vote Social Development			
Non-Departmental Other Expenses			
Emergency Housing Support Package	1,821	3,000	1

Expenses and capital expenditure approved under section 26B of the Public Finance Act

Nil.

Expenses and capital expenditure incurred in excess of appropriation

Nil.

Expenses and capital expenditure incurred without appropriation or outside scope or period of appropriation

Emergency Housing Support Package

The Emergency Housing Support Package appropriation had expenditure in 2023/24 that was not in accordance with criteria set out in the Social Security Act 2018 to which the scope of the appropriation specifically refers.

Flexible Funding Assistance (FFA) provides special assistance for families with dependent children staying in accommodation funded by the Special Needs Grant for emergency housing. The Ministry grants FFA under delegated legislation (Flexible Funding Programme (FFP)) under the Emergency Housing Support Package appropriation.

The FFP welfare programme uses the definition of "dependent children" from Schedule 2 of the Social Security Act 2018 (the Act). Dependent children are defined as being under the age of 18 years (amongst other criteria). This means that an 18-year-old is not a dependent child for the purpose of the FFP as they do not meet the definition of child.

The policy intent however is for section 103 of the Act to also apply to FFA, allowing FFA to still be considered for clients with children who have turned 18 and are not financially independent and are attending school or tertiary education. The reference to section 103 was mistakenly not included in the welfare programme when first introduced in 2019/20. There has been a total of only $721 identified (from two grant payments) that meet the above circumstances with payments to dependent children aged 18 years old.

The total unappropriated expenditure was $721 in 2023/24. There was no unappropriated expenditure in prior financial years. The FFA has been amended to include reference to section 103 from 28 June 2024.

Statement of Departmental Capital Injections

For the year ended 30 June 2024

Actual Capital 2023 $000	Type of appropriation	Actual Capital 2024 $000	Approved Appropriation 2024 $000
80,863	Ministry of Social Development - Capital Injection	25,991	25,991
80,863	**Balance at 30 June**	**25,991**	**25,991**

Statement of Departmental Capital Injections without, or in excess of, authority

For the year ended 30 June 2024

The Ministry has not received any capital injections during the year without, or in excess of, authority.

2024

Pūrongo ā-tau | Annual Report

Whaikaha
Ministry of Disabled People

Scan for NZSL name

Te Kāwanatanga o Aotearoa
New Zealand Government

The financial reporting for the Ministry of Disabled People – Whaikaha are contained in the 2024 MSD Annual Report, as the host agency, and can be found on the MSD website at **msd.govt.nz**.

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Me he aka rātā ka tipu tahi ka puāwai tahi kia tū kaha i ngā hihi ō Tamanuiterā.

Like the rātā vines growing together and flourishing to stand strong in the warmth of the sun.

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Chief Executive foreword

Whakapuāwai rā, e whanake ana
Whakapuāwai rā, e tōnui ana
Kei runga ake, kei runga noa atu
Kia mau ki te aka matua
Kia mau ki te rākau rangatira.

Me he aka rātā ka tipu tahi
ka puāwai tahi
Kia tū kaha i ngā hihi
ō Tama-nui-te-rā.

Ka mutu
Kia whai ora
Kia whai hua
Kia whai kaha e.

E ngā manawa nui
E ngā manawa rahi
E te mea nui o tēnei ao
He tāngata, he tāngata
Tēnā koutou katoa.
Nāu mai haere mai ki te pūrongo-a-tau.

Flourish and thrive, onwards, upwards
Flourish and thrive, prosperous, prolific
Ascending skywards, commanding, prominent
Grasp the main vine, hold firm the chiefly tree.

We are like the rātā vines.
Growing together and flourishing
To stand strong in the warmth of the sun.

Furthermore, pursue these qualities
Live well, thrive abundantly, find strength.

To the steadfast, to the resilient
To the greatest thing in this world
It's people, it's people
Greetings to you all.

Welcome to this year's annual report.

Paula Tesoriero
MNZM PLY
Te Tumu Whakarae
Chief Executive

I am proud to present this Annual Report for the 2023/24 financial year, which outlines how in our second year of establishment, the Ministry of Disabled People – Whaikaha has continued to work with tāngata whaikaha Māori, disabled people, whānau, families, the wider disability sector and our colleagues across the public service to continue towards a non-disabling Aotearoa New Zealand.

As we reflect on the past year, I want to acknowledge the April 2024 passing of Sir Robert Martin, an important leader in our community who made an enormous contribution in New Zealand and globally. He was also the patron of My Home, My Choice, aiming to improve the way people in residential services are assisted. We continue to grieve his loss and hope that his legacy will continue through our ongoing work

This year we have focused on both improving the way disability supports are delivered and on stewarding change across government.

We strengthened our systems and built capability to better support the delivery of Disability Support Services (DSS) to 62,000 people and Equipment and Modification Services to over 47,000 disabled people.

This year we have responded to both the increased complexity and demand for disability supports, while balancing the need to manage delivery within our fiscal envelope.

Across government, we have continued to provide advice and input, invested in relationships and identified opportunities to advance the rights and interests of the disabled community.

Some of our key highlights for the year include:

- Drawing down transformation funding and establishing the Transformation Management Board to guide investments and reflect our commitment to work with the disability community to improve the disability support system.
- Strengthening community engagement mechanisms, with the establishment of the Strategic Advisory Group and the signing of a Memorandum of Understanding between the National Enabling Good Lives Leadership Group and the Ministry.
- Developing a National Pacific Disability Plan in collaboration with Pacific families and communities.
- Investing to grow disability leadership and build community capacity and capability, through the commissioning of grants for disabled-led groups and organisations.

This year we have responded to both the increased complexity and demand for disability supports, while balancing the need to manage delivery within our fiscal envelope.

- Implementing system improvements so that disabled people, tāngata whaikaha Māori and whānau can have more confidence about the quality of supports they receive.
- Contributing to the Crown Response to the Royal Commission of Inquiry into Abuse in State and Faith Based Care.
- Contributing to the Crown Response to WAI2575, the Waitangi Tribunal's inquiry into health services and outcomes.
- Collaborating across government on matters of importance, including data, workforce development, accessibility and inclusion.
- The appointment of new members to the New Zealand Sign Language (NZSL) Board and progressing a review of the NZSL strategy.
- Strengthening and supporting the NZSL Board Turi Māori Advisory Group Te Roopū Kaitiaki and growing their leadership contribution by including them in the Strategic Advisory Group.
- Becoming an employer of choice for disabled people and tāngata whaikaha Māori, and leading work to improve employment rates and experiences of disabled employees in the public service.
- Developing our first strategic work programme to guide the prioritisation of work as we build our capability and capacity.
- Developing our organisational values in collaboration with kaimahi/staff.
- Growing our capability and capacity to deliver on our obligations under Te Tiriti o Waitangi and grow Māori Crown relationships.
- Developing our commissioning framework.
- Forensic Coordination Services was moved under the direct management of the Ministry in March 2024. This transition has progressed well with plans underway to retender the service in 2025.

Thank you to our community and sector who have contributed to the vision of a non-disabling Aotearoa New Zealand.

Kia kaha, kia maia, kia manawanui!

Paula Tesoriero MNZM PLY
Te Tumu Whakarae | Chief Executive
Ministry of Disabled People – Whaikaha

Statement of responsibility

I am responsible, as Chief Executive of the Ministry of Disabled People – Whaikaha, for the accuracy of this 30 June 2024 end-of-year performance information prepared by Whaikaha, whether or not that information is included in the Annual Report.

In my opinion, this Annual Report fairly reflects the operations, progress and organisational health and capability of the Ministry of Disabled People.

Paula Tesoriero MNZM PLY
Chief Executive | Te Tumu Whakarae
30 September 2024

Our year in numbers

Our community

1.1m

Number of disabled people in Aotearoa. That's **24%** of all New Zealanders.

65

For people aged over 65, **females** were more likely to experience multiple impairments.

Disability rates by **ethnicity** were:

Māori **32%**
Pacific peoples **26%**
European **24%**
Asian **17%**

3

The three most **common impairment** types New Zealanders experienced were:

mobility **13%**
hearing **9%**
agility **7%**

Causes of impairment

Disease or illness **41%**
Accident or injury **31%**
Ageing **28%**
Existing from birth **14%**

53%

of disabled people reported **multiple impairments**.

Our people

42%

of our **kaimahi/staff** identify as disabled.

Pay gap

Gender Pay Gap is **6.9%**
Māori Pay Gap is **4.0%**
Asian Pay Gap is **12.6%**

We are 80.1% European, 14.9% Māori, 10.0% Asian, 6.6% Pacific people, 2.9% Middle Eastern, Latin American or African and 1.2% from another ethnic group.

Our gender pay gap is 6.9%, compared to a public service pay gap in 2023 of 7.1%. This is an improvement from 2023, when we reported a gender pay gap of 10.2%.

For our Māori employees, the gap of 4.0% is lower than the 5.4% public service average. Again, this is an improvement from 2023, when the gap was 4.9%.

For our Asian employees, our pay gap of 12.6% is lower than the 13% public service average. This is the first time we have been able to report our pay gap for Asian employees.

Our pay gap for disabled people is 4.8%. There is no public service comparison information, however, it is pleasing to note that this is a significant improvement from 2023, when the gap was 8.1%.

$1m investment to build **community capacity and capability** in four regions.

20 **talanoa sessions** held nationwide to develop the National Pacific Disability Plan.

5 **formal engagements** – forums / relationships established.

47k+ people accessed **equipment**.

62k (approximately)

New Zealanders supported by Whaikaha through Disability Support Services.

Intellectual disability **40%***
Autism as their primary disability **40%***
Physical disability **19%***

18 sites

15 Needs Assessment and Service Coordination (NASC) sites
3 Enabling Good Lives sites across NZ

$2.28b Disability Support Services delivered.

62,073 people[1] accessed supports in 2023/24

Flexible funding **30,517**	$550m
Home and Community **11,994**	$280m
Environmental **9,075**	$235m
Facility-based[2] **8,475**	$1,091m
Specialist services **1,976**	$59m
Connecting people and supports	$64m
Other	$2m
	$2,280m

[1] People may be counted multiple times where they receive services under multiple categories. [2] Includes all people receiving services delivered in facilities, including those in residential supports, under orders and in facility-based respite.

31 Child Development Services (CDS)

Providing early intervention and developmental support to children and rangatahi throughout Aotearoa.

16,000 seen by CDS

$2.65m

allocated to transformation initiatives across disabled person/whānau-led facilitation services, testing alternatives to NASC facilitation services for family wellbeing/respite, building the peer support network and evidence base, and four My Home, My Choice initiatives.

* Some statistics are taken from the 2013 New Zealand Disability Survey (data from this survey will become available in late 2024).

For specific insights refer to Appendix 1 at the end of this Annual Report.

Section 1

Our strategic direction

Our story

Whaikaha was established on 1 July 2022 with a dual mandate to:

- Improve and strengthen the way disability supports are provided.
- Advance societal change to improve outcomes for disabled people, tāngata whaikaha Māori, families and whānau.

At the time of this report, Whaikaha is a departmental agency as defined by section 2 of the Public Finance Act (1989), hosted within the Ministry of Social Development (MSD). It is an agency committed to progressing the rights and opportunities of disabled people. The work of Whaikaha is underpinned by Te Tiriti o Waitangi, the United Nations Convention on the Rights of Persons with Disabilities (UNCRPD) and the Enabling Good Lives (EGL) principles and approach.

Our Whakataukī

Me he aka rātā ka tipu tahi ka puāwai tahi kia tū kaha i ngā hihi ō Tamanuiterā.

Like the rātā vines growing together and flourishing to stand strong in the warmth of the sun.

What we want to achieve

The New Zealand Disability Strategy is a key mechanism for the Government and disabled people, tāngata whaikaha Māori, their families and whānau to set the direction for a non-disabling Aotearoa.

The New Zealand Disability Strategy (2016–2026) (the 'Strategy'), together with Disability Action Plan (2019–2023) (the 'Action Plan'), drives the vision for a non-disabling Aotearoa New Zealand and the implementation of the UNCRPD over time.

During the period of this report, progress towards the Strategy and the Action Plan includes:

- the Household Disability Survey 2023 carried out by Stats NZ
- the launch of the inaugural Disability Action Plan 2023–2027 by the Department of Corrections – Ara Poutama Aotearoa
- the target of universal design homes (19 percent) built in 2023 being exceeded by 15 percent by Kāinga Ora
- publication of a Provisional Health of Disabled People Strategy by the Ministry of Health | Manatū Hauora (MoH).

Each year, the Minister for Disability issues reports annually on the progress of the New Zealand Disability Strategy. Six-monthly progress towards the Disability Action Plan is reported on the Ministry's website.

The New Zealand Disability Strategy is a key mechanism for the Government and disabled people, tāngata whaikaha Māori, their families and whānau to set the direction for a non-disabling Aotearoa.

About us

Many disabled children and adults still face some barriers that prevent them from reaching their full potential. If these barriers are not dismantled and removed, then all of us miss out.

What we do

The New Zealand Disability Strategy 2016–2026 states that:

- "We must continue to acknowledge and respect the diversity within the disability community and recognise the value it adds to the community."
- "Many disabled children and adults still face some barriers that prevent them from reaching their full potential. If these barriers are not dismantled and removed, then all of us miss out. We will not prosper if disabled people are not able to participate in and contribute to our communities on an equal basis with others."

For the period which this report relates to, the Ministry is responsible for most DSS and works to drive improved outcomes for disabled people. The Ministry is focused on strategic policy, stewardship, system transformation and capability building for the wider government system as it relates to disabled people.

The Ministry is also focused on creating an inclusive and accessible Aotearoa New Zealand, recognising the importance of involving people from the disabled community in decision-making which affects their lives.

Through the DSS-funded system, we provide support to approximately 62,000 disabled people and their families and whānau, as well as Equipment and Modification Services to over 47,000 disabled people.

Whaikaha is committed to inclusive employment policies and practices that remove barriers for disabled people and tāngata whaikaha Māori to work within the Ministry at all levels of the organisation. Currently, more than 40 percent of our kaimahi/staff identify as disabled.

Many of our people are family members and whānau of disabled people or have other links to the community. The Ministry continues to strengthen its capability by building closer relationships with disability community groups and organisations to inform and guide its work.

The prevalence of disability in New Zealand is proportionally higher among Māori and Pacific peoples. When adjusted for age, the Māori rate of impairment increases to 32 percent, compared with the general population at 24 percent. Because Māori are a younger population, impairments are less likely to be linked to age-related conditions. Appendix 1 provides further information about the diversity of the disabled community and the barriers experienced.

Programmes we have progressed

Disability system transformation

Over the last two years the Ministry has progressed initiatives to transform the disability support system. There has also been an increased focus on organisational structure, systems, processes and policies to ensure the Ministry can deliver its system stewardship functions.

Advice on the most appropriate way to advance transformation of the disability support system was also developed with disability community leadership groups.

High and Complex Framework (HCF)

The High and Complex Framework (the 'Framework') supports people under the Intellectual Disability (Compulsory Care and Rehabilitation) Act 2003 and other relevant legislation. It provides a diversionary pathway for people with an intellectual disability who are engaged with the criminal justice system towards more appropriate services with a strong rehabilitative focus. Around 200–250 disabled people, many of whom have committed serious offences, are supported through the Framework.

Although this is the primary reason for the Framework, it may also support those who have not been formally charged with a crime or those held under wider legislative means. This population is also made up of a number of former care recipients in the process of transitioning out of the Framework.

The Kaupapa Māori team are continuing to support development of the Framework. Around 40 percent of this population is Māori and this work programme requires a strong Te Tiriti lens and culturally relevant response.

My Home, My Choice

This initiative is focused on the work needed to transform the way people in residential services are assisted so they have more choice and control in their lives.

The Ministry continues to build the peer support network and evidence base for My Home, My Choice initiatives below, including setting up a project group:

- the Intensive Response team
- Te Ao Māori alternative options
- separating accommodation from other supports
- establishing practice networks to support alternative options and continuous improvement.

The Ministry continues to build the peer support network and evidence base for My Home, My Choice initiatives, including setting up a project group.

People receiving disability supports have the option to choose to pay a family member to provide those supports. This applies to supports that would otherwise be provided by a support worker through the Ministry's funding and Health New Zealand-funded support services.

Paid family carers

People receiving disability supports have the option to choose to pay a family member to provide those supports. This applies to supports that would otherwise be provided by a support worker through the Ministry's funding and Health New Zealand-funded support services. The Ministry has used this funding to address increases in costs where disabled people were receiving Family Funded Carer services and are now receiving Individualised Funding and other flexible supports.

During the financial year the Crown successfully appealed aspects of an Employment Court decision that could create employment obligations for the Ministry towards a large number of people who provide care to disabled family members. The Court found that the Ministry was not the employer of these family carers.

Contributions and key reviews conducted during the financial year:

- Contributing to the Crown Response to the Royal Commission of Inquiry into Abuse in State and Faith Based Care.
- Contributing to the Crown Response to WAI2575, the Waitangi Tribunal's inquiry into health services and outcomes.
- A rapid assurance review of the Ministry's commercial management practices conducted to ensure that its contract management practices are robust, provide public value, and to reduce legal and financial risk for the Ministry.

The Implementation Unit in Department of Prime Minister and Cabinet | Te tari o te Pirimia me te Komiti Matua (DPMC) carried out an assessment of the Ministry's progress in establishing its governance and system leadership arrangements, progress of its establishment and transition stages, Enabling Good Lives initiative, and lessons from its establishment as a new departmental agency.

The findings and recommendations were reported to the previous Minister of Finance in September 2023 and a final copy provided to the Ministry in March 2024 (the timing difference was due to pre-and post-election activities and change in administration).

On the key risks identified in DPMC's assessment of the Ministry, the following actions were undertaken to strengthen our systems and capability to better support the delivery of DSS to disabled people.

- Strengthened financial planning and monitoring mechanisms through a focused financial sustainability programme of work.
- Key Shared Service arrangements were reviewed, and improvement actions completed.
- Employment agreements across Whaikaha was completed. Work to improve internal processes and procedures will be ongoing as the Ministry responds to inherent system challenges and change.
- Advisory Boards/Groups established in partnership with disabled people and tāngata whaikaha Māori to increase participation and voice across key disability matters.

Our organisation

The Ministry is arranged into four business groups:

- Commissioning Design and Delivery and Policy
- Strategy and Partnerships
- People and Culture
- Corporate Services.

Each group is led by a Deputy Chief Executive (DCE) who is a member of the Executive Leadership team. The Executive Leadership team also includes a Kaihautū – Chief Advisor Māori who provides strategic advice and leads parts of our integrated work programme to ensure our commitment to Te Tiriti o Waitangi is reflected. The Ministry has progressively built organisational capability and capacity to deliver on our obligations under Te Tiriti o Waitangi. The Ministry offices are located in Auckland, Hamilton, Palmerston North, Wellington, Christchurch and Dunedin.

The Ministry is a flexible-by-default employer and is committed to supporting the provision of flexible working arrangements to reflect the diverse needs of our kaimahi/staff.

Our organisational values

Our three 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.

Our purpose is to:

- improve the way disability support is provided
- make changes in society and communities to make things better for:
  - tāngata whaikaha Māori and disabled people
  - their whānau and families.

Our organisational values have been developed in Te Reo Māori, English and NZSL to support us to achieve our purpose.

These values are:

Mana Taurite
Equity drives us

Mana Kaha
We strengthen and support

Mana Tūhura
We explore and learn

Supporting Te Tiriti o Waitangi relationships

Underpinning all areas of our work is our commitment to Te Tiriti o Waitangi. A Kaihautū – Chief Advisor Māori role was established within the Executive Leadership team to lead and advise on:

- developing effective and enduring Māori Crown relationships
- contributing to work programme development and implementation
- strengthening system oversight and integrating cultural responsiveness into the quality and safeguarding framework data and monitoring frameworks
- continually striving for new and improved approaches that will result in better outcomes for tāngata whaikaha Māori and disabled people.

As a departmental agency of the Crown, Whaikaha is committed to honouring its obligations under Te Tiriti o Waitangi, supporting and enabling Māori, whānau, hapū, iwi, and communities, so that tāngata whaikaha Māori and their whānau realise their aspirations. This will include growing our cultural capability, embedding Te Tiriti o Waitangi into the way the Ministry works, and partnering with others to ensure our work programme reflects the Crown's relationship with Māori, and improves outcomes and equity for tāngata whaikaha Māori.

Stewardship

Removing barriers and opening opportunities to live good lives benefits from joined up efforts across government agencies and wider communities. The Ministry plays an important stewardship role to help with this.

Our stewardship approach provides a disability lens and is proactive and targeted to support agencies to meet their responsibilities to disabled people and whānau. It includes things such as:

- co-ordinating government agencies' responses to the 63 Concluding Observations provided by the UN Committee on the Rights of Persons with Disabilities
- driving work programmes, and monitoring progress towards the Disability Action Plan 2019–2023
- contributing evidence to and participation in the Royal Commission of Inquiry into Abuse in State Care, the Waitangi Tribunal Wai 2575 Health Services and Outcomes Inquiry and the Royal Commission of Inquiry into COVID-19 lessons learned
- working with the Ministry of Transport, CCS Disability Action, the New Zealand Parking Association and local government to drive actions to reduce mobility parking misuse

- providing support to the NZSL Board to progress its strategy and work programmes to maintain and promote NZSL as an official language of New Zealand
- contributing to the Ministry of Education's Sector Advisory Group on Deaf Education
- delivering initiatives to increase disabled people's participation in public boards and committees, including a nominations service and promoting training opportunities
- engaging with the Deaf community and government agencies to support the development of the next NZSL Strategy.

Priorities for the next financial year include a focus on accessibility in all system settings.

Our stewardship approach provides a disability lens and is proactive and targeted to support agencies to meet their responsibilities to disabled people and whānau.

Royal Commission of Inquiry into Abuse in Care

The Royal Commission of Inquiry into Historical Abuse in State Care and in the Care of Faith-based Institutions (Royal Commission) Whanaketia – Through pain and trauma, from darkness to light was tabled in Parliament on 24 July 2024 and became public.

The Royal Commission's role

The Royal Commission was established in 2018 to investigate children's, young people's and vulnerable adults' experiences of abuse and neglect in State and non-State care in New Zealand between the years 1950 and 1999. The Royal Commission also heard about abuse, care settings, policies and practices outside this timeframe and up to the present.

Deaf, disabled people, tāngata whaikaha Māori and people with learning disabilities have been a significant focus in the inquiry.

The Ministry has provided information to the Royal Commission through 'Briefs of Evidence' and 'Notices to Produce' in response to questions from the Royal Commission.

The Ministry continues to work with the Crown Response Unit and Crown agencies in a range of cross-agency workstreams and groups.

Whanaketia recommendations

Whanaketia has many findings and 138 recommendations for change that, if adopted, would impact on many government agencies with care responsibilities, including the Ministry of Disabled People – Whaikaha.

In particular, Whanaketia recommends significant change to care safety processes, organisational arrangements and structures for the regulation, monitoring and commissioning of services, including DSS funded by the Ministry.

Other recommendations relate to:

- legislation for care safety and the rights of disabled people
- redress
- safeguarding
- providers and workforce
- complaints, data collection, record-keeping and information sharing
- Te Tiriti o Waitangi, human rights and United Nations conventions.

Reports of abuse and neglect in care settings, including disability settings and with disabled people, show that improvements continue to be needed.

The Ministry is working with the Crown Response Unit and Crown agencies to provide advice on the recommendations and findings to the Ministerial Group chaired by the Lead Response Minister, Erica Stanford.

Records improvement

In its 2021 report, the Royal Commission found that many survivors experienced difficulty accessing their records, lengthy delays, and getting incomplete or heavily redacted information. Recommendations for improvement included the location, access and protection of personal care records.

The Ministry is also continuing with the key workstreams of redress, records improvement and contributing to work on the public apology.

People and culture

Our people

A People and Culture strategy and roadmap has been developed. This describes key shifts we need to make through 2024–2027. Four areas of focus have been identified: strengthening our foundations, leadership, being an employer of choice, and influencing across the public service. The work programmes that sit within each area of focus will help us work together differently to achieve our purpose and create a productive and engaging environment for our people at the Ministry.

As of 30 June 2024, the Ministry had 258 employees who represent the following:

Disability:

- **42 percent** of our kaimahi/staff self-identified as disabled.

To calculate this percentage, we take those who self-identify with a disability status/(total employees less unknown disability status).

Gender:

- **75 percent** female
- **25 percent** male
- **1 percent** other.

Acknowledging intersectionality, our employees have identified as members of the following communities:

- **80 percent** as European
- **15 percent** as Māori
- **10 percent** as Asian
- **7 percent** as Pacific peoples
- **3 percent** as Middle Eastern/Latin American/African
- **1 percent** as other.

Ethnicity percentage is based on employees who reported an ethnicity as a proportion of all employees who self-disclosed an ethnicity. People who report more than one ethnic group are counted in each group they identify with. As a result, the number of employees across the ethnic groups may add up to more than the total number of employees (or more than 100 percent).

The Ministry is the lead agency championing Te Kairangi Tūrama Muri, the Disability Four-Point plan to increase opportunities for disabled people in public service.

Public sector Disability Four-Point plan

The Ministry is the lead agency championing Te Kairangi Tūrama Muri, the Disability Four-Point plan to increase opportunities for disabled people in the public service. It sits alongside Papa Pounamu and works to these outcomes:

1. Increasing the visibility of disabled public servants – identify better collection of data across the public service.
2. Recruiting and promoting more disabled people and tāngata whaikaha to positions in the public service.

3. Improving accessibility for disabled people in the public service.
4. Identifying and closing inequities disabled people and tāngata whaikaha Māori face that others don't (for example, pay gaps, career progression).

The Ministry is finding ways to improve our inclusive and equitable recruitment and retention practices. The experiential learnings from these initiatives will help shape best practice that can be shared with agencies. For example, during the year we:

- Worked with Kindred, a Human Resource consultancy partnered with the NZ Down Syndrome Association, to learn first-hand what transition and support in employment looks like for disabled people with intellectual impairment.
- Appointed a Programme Lead, Employment Pathways role that will help to develop inclusive and equitable pathways to hiring, growing and retaining disabled people in the public service.
- Tried new approaches to our attraction and recruitment process to make it more inclusive and accessible. As a result, a high number of new hires identify as disabled people.
- Began work on a new approach to reasonable accommodation that supports better outcomes for employees.

Terms of settlement

The Ministry's establishment process brought together teams from MoH and MSD. These employees transitioned into the Ministry on their existing terms and conditions, including pay. This meant that, at the time of establishment, six remuneration frameworks with 19 pay ranges were brought into the operating environment, and there are currently 17 employment agreement types.

The inaugural Whaikaha Collective Employment Agreement (CEA) was ratified in April 2023. Due to the timing requirements associated with the Public Sector Pay Adjustment, the bargaining team were unable to address inconsistencies associated with the transition of kaimahi/staff to the Ministry.

It was agreed as part of the Terms of Settlement to the inaugural CEA that a joint work programme would look at aligning terms and conditions that the Ministry can implement in the next bargaining round. The joint work initiatives are to:

- establish a common remuneration framework
- identify consistent hours of work, overtime and leave provisions
- ensure support for health, safety and wellbeing.

Pay equity

As of 30 June 2024, the Ministry had an average gender pay gap of 6.9 percent. This is a reduction of 5.4 percent since the Ministry reported an average gender pay gap of 12.3 percent points on 30 June 2023.

The Ministry is continuing to better understand the drivers of its pay gaps and working to address them in accordance with the Kia Toipoto – Public Service Pay Gaps Action Plan.

Governance and risk management

Review of commercial management

During the financial year a rapid assurance review of the Ministry's commercial management practices was conducted to ensure that its contract management practices are robust, provide public value, and to reduce legal and financial risk for the Ministry.

The Review findings reflected the Ministry's journey of maturity as a stand-alone organisation. The overall assessment indicated the Ministry was at a 'foundational level'. The review recommendations and roadmap for improvement are related to commissioning activities. Significant system-related work sits across the Ministry more broadly and a programme was established by the Executive Leadership team to respond to and address key findings, and to develop our commissioning framework.

Fiscal sustainability

The DPMC stocktake said Whaikaha's relatively short six-month establishment period placed 'significant pressure' on the team tasked with setting up the Ministry. As a result, the team employed a 'lift and shift' approach by simply transferring staff, functions, roles and responsibilities directly from the MoH to the new Ministry. This meant limited due diligence was carried out, especially given the size, complexity and ageing systems that were used to administer DSS.

The DPMC stocktake also identified financial, legal, people leadership, management, high stakeholder expectations and a number of operational risks and issues. The operational risks included legacy IT systems, ageing business practices, and weak assurance, audit, monitoring and fraud analysis functions that were not fit for purpose.

While the Ministry designed a new organisational model, to reflect its mandate, its operating budget had not been scaled to meet the demands of its $2.2 billion in annual commissioning.

With sustained demand for services and price pressure, fiscal sustainability has become an increased focus for Whaikaha. In 2023, corporate and governance functions internally increased their focus on understanding and responding to this pressure. This resulted in more regular financial reporting and increased dialogue with Treasury and Ministers. A Financial Sustainability programme was established in November 2023 to organise this work, which included initiatives to find savings in departmental spend.

With sustained demand for services and price pressure, fiscal sustainability has become an increased focus for Whaikaha. In 2023, corporate and governance functions internally increased their focus on understanding and responding to this pressure.

In response to financial pressure on disability supports, the Ministry made changes to flexible funding in March 2024, which were not received well by the community and sector and criticised for not being consulted on. Ongoing budget pressure for the 2023/24 financial year resulted in the Ministry receiving a top-up to the 2023/24 Budget through the Budget process.

In April 2024, an Independent Review was announced "to strengthen the long-term sustainability of Disability Support Services to provide disabled people and carers with certainty around what they can access". The focus of the fiscal sustainability work for the rest of the 2023/24 financial year was to support the Independent Review.

Significant events after balance date for the Ministry are contained in the MSD's 2024 Annual Report, as the host agency, and can be found on their website.

Risk and Assurance Committee

The Risk and Assurance Committee was inducted during the financial year to assist the Chief Executive by providing independent advice and challenge on risk, internal control and assurance matters. The committee meet on a quarterly basis and have been focused on the management of top risks, issues and ensuring compliance.

Transformation Management Board

The Transformation Management Board was established during the financial year to provide advice to the Chief Executive to support the implementation of transformation initiatives funded through the Budget 2022 contingency. The Board have provided robust advice on the allocation of funding for specific initiatives and help to identify potential areas for re-prioritisation to better support transformation.

The Transformation Management Board was established with 11 members, most (eight) of whom are disabled people.[1] There are three senior Whaikaha leaders, with the Chief Executive as chair.[2]

Funding for improving safeguarding of those at risk of abuse and neglect and transforming existing supports started in 2024/25.

Initiatives endorsed by the Transformation Management Board

The Transformation Management Board endorsed the allocation of Budget 2022 funding for the following initiatives:

- disabled person/whānau-led facilitation services
- testing alternatives to Needs Assessment and Service Coordination (NASC) facilitation services for family wellbeing/respite
- building the peer support network and evidence base for My Home, My Choice initiatives.

As part of the organisational design, Budget 2022 funding was also used to establish roles to support transformation and system improvement.[3]

Disability system transformation

In September 2023, the Government announced that the Ministry could access $73.7 million over the next four years and an additional $40.5 million each year in the following years to support disability system transformation work.

A phased approach was developed, with an initial focus on laying the foundation for system improvement and transformation. This includes disability and community leadership, the IT systems, and the data and insights needed to make evidence-based investment decisions.

Funding for improving safeguarding of those at risk of abuse and neglect and transforming existing supports started in 2024/25.

1 The Board has three tāngata whaikaha Māori and three disabled people, one whānau member and one family member of a disabled person.
2 The two other executive members are the Deputy Chief Executive Policy, Strategy and Partnerships, and Deputy Chief Executive Commissioning, Design and Delivery.
3 Most of these roles are in Commissioning Design and Delivery – 13 full-time equivalents (FTEs). The Transformation Management Board received funding for three FTEs to provide governance of initiatives funded through Budget 2022.

To guide system improvement and maturity (including cost stabilisation) a revised roadmap will be developed as:

- funding from Budget 2022 was insufficient to support the original roadmap
- the Government's fiscal position has deteriorated since the Budget 2022 decisions
- recommendations from the Independent Review of DSS are implemented.

Shared services arrangement

The Corporate Services Group managed relationships with the Ministry's shared services providers – Health New Zealand (HNZ) and MSD.

The transfers of functions from MoH and MSD to Whaikaha took place in the midst of major reform of New Zealand's health sector. From 1 July 2022, Health New Zealand/Te Whatu Ora (HNZ/TWO) was established. In this context, there was a need for the provision of certain services from HNZ and MoH to Whaikaha.

As part of the SSAs and subsequent amendments, it was agreed that the parties would commission a review of services to be completed by January 2024.

The summary of findings highlighted the need for service improvements, including quality, cost and value, and the timeliness requirements of the services being delivered.

SSA governance was re-instated during the year, which focused on the oversight and monitoring of service improvements and the progression of recommendations as a result of the review.

Transitional services

The Ministry maintained a shared services hosting arrangement with MSD until June 2024 to enable access to MSD's administrative systems, services and infrastructure. The Ministry maintains a relationship with Manatū Hauora and Te Whatu Ora, to maintain access to data and records and for the administration of payments.

MSD have delivered a range of transitional services to support the early Whaikaha operation, such as health and safety, communications, ministerial and executive services and legal services. These have transferred to the Ministry progressively over the 2023/24 year, with some residual services concluding in early 2024/25. As the host agency, MSD also provides Whaikaha with some ongoing corporate support services such as finance and payroll.

Measuring our performance

Our Estimates measures

Our Estimates measures track our delivery of the initiatives and services we are funded to deliver against specific annual targets. While these measures are reviewed annually, we aim to minimise changes to maintain comparability over time.

Status indicators

Met or exceeded standard ✔

Did not meet the standard ✖

Performance information

Measure	Standard 2023/24	Actual 2022/23	Actual 2023/24	Status
Departmental output expenses				
Connecting people with supports and communities				
Enabling Good Lives (EGL) Christchurch Demonstration				
The EGL approach (access to an EGL connector and a flexible, personalised budget) is made available to 98 percent of eligible Ongoing Resourcing Scheme (ORS) verified students in Christchurch (Note 1)	Achieved	Achieved	**Achieved**	✔
Mana Whaikaha				
Access to EGL budgets (Personal Budget, Early Investment and Immediate Resourcing) and support are made available to 99 percent of eligible disabled people who submit an EGL Proposal to Mana Whaikaha	99%	100%	**100%**	✔
Stewardship of the Disability System				
The Ministry procurement process is in line with government standards (Note 2)	Achieved	Achieved	**Achieved**	✔
This measure relates only to Departmental spend.				
The percentage of complaints in regards to Disability Support Services (DSS) that receive either a resolution notification or progress update within 20 days of DSS receiving the complaint	95%	94.5%	**96.2%**	✔
Whaikaha received 79 complaints about the quality of DSS – three of those were not managed in the timeframe.				

Measure	Standard 2023/24	Actual 2022/23	Actual 2023/24	Status
Average score attained from a sample of Whaikaha written policy advice as assessed using the agreed Department of the Prime Minister and Cabinet Framework	Greater than 3.2 out of 5	N/A (Disclosure 1)	**3.23**	✔
Ministerial satisfaction with the policy advice service	Equal to or greater than 4 out of 5	4.2	**3.68**	✖
The standard was not met. The 2023/24 satisfaction survey noted a decrease in the overall trust rating and a slight decrease in the general satisfaction rating. A change in Minister was announced part-way through the financial year in April 2024.				
Non-departmental output expenses				
Community-based support services				
The percentage of self-directed funding arrangements to improve the person's choice, control and flexibility (for example, Choices in Community Living, Individualised Funding, Enhanced Individualised Funding, Flexible Disability Supports, Personal Budgets and EGL) within the total client population is greater than or equal to	10%	28.5%	**33.9%**	✔
The standard was significantly exceeded. In 2022/23, changes in purchasing guidelines were made to provide additional flexibility, particularly around Individualised Funding respite. As more people have become aware of the flexibility that individual funding offers, more people have approached NASC requesting this option. Changes to the guidelines in March/April 2024 has restricted the use of Individualised Funding, which may reduce this trend going forward.				
Connecting and strengthening disability communities				
All new eligible DSS clients are assessed within 20 days of referral is equal to or greater than	80%	82.5%	**41.3%**	✖
The standard was not met. Upon review of Whaikaha measures, we noted an error in the calculation of this measure and have corrected this. For the purposes of this result, new clients include re-entered clients requiring assessment. The recalculated result for 2022/23 is 48%. Refer to disclosure of judgements.				
All new clients assessed as being eligible for Whaikaha-funded support are provided with their support options within 20 days of assessment is equal to or greater than	85%	91.6%	**82.8%**	✖
The standard was not met. Twelve NASCs exceeded the standard. The median is skewed by a NASC that is operating significantly below the standard. The contributing factors for this included providers not being able to give the requested service due to difficulties recruiting and retaining staff, a small pool of available workers to recruit from, and having potentially too few providers for some services.				

Measure	Standard 2023/24	Actual 2022/23	Actual 2023/24	Status
Early intervention support services				
The percentage of those disabled people who were referred to a Behaviour Support Treatment Programme and completed it is greater than or equal to	75%	69.5%	**68%**	✖
The standard was not met. Due to increasingly long waitlists, by the time people are offered the service they may not wish to continue, or it is no longer required. Long wait times also mean that behaviours have become far more complex and challenging for families to manage. Work is underway to provide support to waitlisted families and trial options to offer a range of options for service. These are intended to help reduce the waitlists.				
Environmental support services				
The percentage of equipment available and supplied from the Ministry of Health's standardised equipment list to ensure value for money is greater than or equal to	75%	74.9%	**73.6%**	✖
The standard was not met. The number of people served has grown at a rate that requires the overall stock of equipment to grow faster than expected, which means reissue has made up a lower proportion of the total.				
Residential-based support services				
Percentage of DSS clients moving from mainstream residential service to community support services increases over time so that the percentage receiving community support services is greater than or equal to	77%	83.6%	**86.3%**	✔
The standard was significantly exceeded. The number of people in residential support has been relatively static over the last 10 years, while the number of total people supported by DSS has increased significantly.				
Non-departmental other expenses				
Community Capacity and Support				
An exemption from performance reporting was granted under section 15D(2)(b)(iii) of the Public Finance Act 1989.				

Disclosure 1: Whaikaha was established on 1 July 2022. In its first year of operation, it did not produce sufficient policy work to provide an accurate measurement for 2022/23.

Note 1: Currently ORS-verified students aged 14+ are eligible for the EGL approach in the Christchurch demonstration.

Note 2: This measure considers whether the Whaikaha departmental expenditure procurement process is aligned to MSD's procurement processes and procedures, which in turn align with the Government Procurement Rules.

Disclosure of judgements

Most of the funded supports for disabled people previously commissioned through MoH are now commissioned through Whaikaha.

The judgements, estimates and assumptions that have the most significant impact on selection of performance measures are disclosed below.

The Ministry of Disabled People – Whaikaha is a New Zealand government departmental agency as defined by section 5 of the Public Service Act 2020. The relevant legislation governing our operations includes the Public Finance Act 1989, the Public Service Act 2020 and the Public Accountability Act 1998.

Whaikaha's ultimate parent is the New Zealand Crown. We are the principal steward of New Zealand's DSS which works to drive improved outcomes for disabled people.

Most of the funded supports for disabled people previously commissioned through MoH are now commissioned through Whaikaha.

The Ministry is focused on creating an inclusive and accessible Aotearoa New Zealand, recognising the importance of involving people from the disabled community in decision-making that affects their lives.

We work to ensure that services we administer, and the system as a whole, are effective and efficient, work as intended, achieve the intended outcomes and are fit for purpose. We do not operate to make a financial return and are a Public Benefit Entity (PBE) for performance reporting purposes.

The section on Measuring Our Performance covers all our activities as set out in the 2023–2024 Estimates of Appropriations for Vote Social Development.

The section on Measuring Our Performance relates to the year ended 30 June 2024. It was authorised for issue by the Chief Executive of Whaikaha. Performance measures are reported on pages 244 to 246.

Statement of compliance

The Measuring Our Performance section has been prepared in accordance with Tier 1 PBE financial reporting standards, which have been applied consistently throughout the period, and it complies with PBE financial reporting standards.

We have made judgements on the application of reporting standards and estimates and assumptions concerning the future, discussed below. The estimates and assumptions may differ from the subsequent actual results.

Critical reporting judgements, estimates and assumptions

Performance measures have been selected for our key activities. In selecting measures, we have made judgements to determine which aspects of performance are relevant and material to readers. The Ministry sets targets for output performance measures based on a combination of historical performance, with consideration of factors that may impact future performance and opportunities for improvement. As such, future performance may differ from budgeted performance. There were no pervasive constraints on information that influenced our service performance information. Judgement is also involved in determining how to measure performance for the measures selected. The judgements that have the most significant impact on selection and measurement are disclosed below.

We review our performance measures each year. Any proposed changes are approved by our Executive Leadership team – proposed changes to output measures are then socialised with the Minister. With the exception of policy advice measures, and some externally mandated indicators, we have discretion to select our measures and targets.

Stewardship of the disability system

In keeping with the Policy Quality Framework provided by the DPMC, we measure:

- the quality of our policy advice by applying the Policy Quality Framework's prescribed measures for quality of policy advice
- ministerial satisfaction that all government agencies with a policy advice appropriation must apply.

This includes a target score for ministerial satisfaction. More information can be found at The Policy Project's Progress and Performance section on DPMC's website: dpmc.govt.nz. The Policy Quality Framework sets out a common set of standards that specify what good-quality policy advice looks like. Its purpose is to assess and improve the quality of our written policy and other advice, and whether it is fit for purpose. The advice may be for a Minister, Cabinet or other decision-makers, and may be jointly provided with other agencies.

The Ministerial Satisfaction Survey contains a common set of questions provided by the DPMC. The survey asks about general satisfaction, quality of policy advice and overall performance using a five-point scale. There are also three free-text questions about satisfaction. The survey covered the entire year, during which the Minister was in that role. The survey is done once a year.

Connecting and strengthening disability communities

The performance measure: 'All new eligible Disability Support Services clients are assessed within 20 working days of referral is equal to or greater than'. The standard for this measure is currently 80 percent. An amendment to the performance standard will be made during the next Supplementary Estimates.

The measure assesses the timeliness in which new people eligible for Whaikaha funded DSS receive their assessment which is completed by the NASC agency.

The measure shows the number of new disability support clients who have had needs assessments within 20 working days of their initial referral.

We review our performance measures each year.

Section 2

Our key achievements

Our work in 2023/24

This section (Section Two) is arranged as per Multi-category Appropriation (MCA) – Supporting Tangata Whaikaha Māori and Disabled People MCA. It aligns our financials to our work to create a line of sight.

Policy work programme

A better, more independent future for disabled people and whānau in Aotearoa New Zealand relies on policy settings that are underpinned by Te Tiriti o Waitangi, the UNCRPD and the EGL approach. They are based on the social model of disability, that is, individuals do not have disability (they have impairments) – disability lies in barriers created by society.

The Ministry provides advice and stewardship for strategic disability policy across government and on policy settings for DSS. The Policy Group within the Ministry supports these roles by:

- administering and developing new legislation within the Disability Issues Portfolio
- analysing and advising on policy issues related to DSS
- advising on opportunities to improve outcomes for disabled people in policy development across government
- advising on the potential impacts on disabled people of policy proposals being developed across government.

The Ministry is committed to working with disabled people and tāngata whaikaha Māori me o rātou whānau to improve services and policy advice. These relationships are underpinned by: Te Tiriti o Waitangi, the UNCRPD and the EGL principles.

Key areas of focus for the Ministry's policy work this year have been:

- developing advice on proposals for a Disability System Bill
- advising on options to improve the financial sustainability of DSS, including providing information and advice to the Independent Review of DSS
- supporting the Ministry's engagement with the disability aspects of the WAI 2575 Waitangi Tribunal Kaupapa Inquiry into health services and outcomes
- supporting the Ministry's engagement with the Royal Commission of Inquiry into Abuse in Care.

We also undertook scoping work for a review of eligibility for DSS, but this work was stopped when the Independent Review of DSS was commissioned.

Community-based support services

Partnering with community

Disabled people's international catch cry "Nothing about us without us" responds to the exclusion they have historically faced when others have designed, funded and provided disability services.

The Ministry is committed to working with disabled people and tāngata whaikaha Māori me o rātou whānau to improve services and policy advice. These relationships are underpinned by: Te Tiriti o Waitangi, the UNCRPD and the EGL principles.

Over the last year, the Ministry prioritised:

- setting up and supporting a range of new advisory and engagement arrangements to support key work programmes
- building and implementing the systems and processes required to enable and continuously improve effective partnering arrangements.

Formal arrangements include the:

- **Transformation Management Board:** to provide governance for the transformation work programme
- **Strategic Advisory Group:** to give strategic advice on major work programmes and policies
- **Insights Alliance:** to oversee the monitoring and evaluation of EGL system transformation
- **Project groups:** to support service design and policy advice (these include the Kōmiti Pasifika, My Home, My Choice and the Tairāwhiti Disability Locally Led Recovery Planning Rōpū).

For the 2024 financial year, the Ministry also has relationships with established disability and tāngata whaikaha Māori groups, including: Te Ao Mārama Aotearoa, the National EGL leadership group, Te Rōpū Kaitiaki, Kāpō Māori Aotearoa, the Disabled People's Organisation Coalition, I.Lead, Te Rōpū Waiora, the Carers Alliance, Te Whānau Turi o Aotearoa, Te Whānau Ora Interface group, Faiva Ora, I.Lead, Mana Pasefika, Parent/Family Network, DeafBlind Association, Access Matters Aotearoa, Foetal Alcohol Spectrum Disorder Care Action Network, Be.Lab, the Older Disabled Persons Group, the National Disabled Students Association and the New Zealand Disability Employers' Network.

An important part of these relationships is building the capacity and capability of disabled people and tāngata whaikaha Māori to make decisions for themselves, to make use of available resources, and to influence how decision-makers can improve the lives of disabled people, their whānau and communities.

The Ministry allocated one-off funding to five providers to help disabled people develop leadership skills, resources and capability, so as to have greater choice and control over the services and supports available to them.

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Working with the disability community has helped:

- establish and strengthen strategic arrangements to inform approaches to steward societal change and improve the system of supports
- raise awareness of disabled people's needs and preferences, and how everyone can contribute to making New Zealand a more inclusive place to live
- influence the priorities and activities of other government agencies, including through the refresh of the NZSL Strategy and the Disability Action Plan and other work programmes.

The effectiveness and impact of these relationships over time is to be monitored through the Monitoring, Evaluation, Analysis and Learning Framework.

Types of support funded

Disability supports and funding methods

Generally, disabled people and their whānau who are eligible for Whaikaha-funded support access their support through NASC organisations.

Disabled people receive funded support from Whaikaha through:

- Choice in Community Living (CiCL)
- Carer Support
- Personal Budgets
- Standard Contracted Arrangements
- Specialist Supports
- Individualised Funding.

Choice in Community Living

CiCL offers disabled people more control over where they live, who they live with and how they are supported. It is an alternative to residential services and is for people with high support needs.

CiCL is currently available in the Auckland, Waikato, Hutt Valley, Otago and Southland regions, testing a more person-directed support option which could inform the transformation programme.

CiCL is a type of hosted support based on a person's plan. Funding is managed by the disabled person and their family or whānau in partnership with the person's chosen CiCL provider. The flexible Purchasing Guidelines are used to support a disabled person in how they use their funding.

Carer Support

The disabled person is allocated Carer Support by a NASC. The disabled person or their whānau organises and pays for support needs to be delivered to the disabled person. They then claim the subsidy amount from Whaikaha.

Personal budgets

Personal budgets are available in the Christchurch, Waikato and Mana Whaikaha EGL locations.

A personal budget is allocated to support people to achieve the outcomes outlined in the plan they have developed with their Kaitūhono/ Connector. Funds can be deposited directly into a specific bank account for this purpose, with some oversight by the EGL team. The disabled person may choose to have a host agency to help manage their personal budget.

Standard contracted arrangements

These supports are commissioned and funded by Whaikaha and include:

- Facility-Based Supports, including residential support for people to live in a group home, alone where required, or in an aged residential care facility – especially where people have higher medical needs requiring hospital level care. There is also Facility-Based Respite, which is short-term relief support provided in a residential setting for eligible people.
- Home and Community Supports include a range of supports, assisting people to live in their community. This includes supported living, household management and personal care.
- Community Day Services include Whaikaha funding day supports to enable disabled people to participate in their community through things such as social activities and daily living skills. MSD is the primary funder of Community Day Services.
- Disability Information and Advisory Services provide independent information and advice to people and their whānau.
- NASC organisations support people through allocating funding and advising on or co-ordinating supports for eligible people.

Specialist supports

- Child Development Services provide specialised services to support tamariki to reach milestones.
- Equipment and Modification Services provide free or subsidised equipment and modifications to disabled people.
- Behaviour Support Services provide people with access to specialists to set and support goals to assist them.

Individualised Funding

Individualised Funding is a mechanism to purchase Household Management, Personal Care and Respite.

It is accessed through a NASC and allocated to a disabled person so they can organise their own support – in some cases including engaging care and support workers.

Individualised Funding was initially developed to increase flexibility and provide disabled people and their whānau with more choice and control over their support.

Enhanced Individualised Funding (EIF) was developed as a broader approach to flexibly support a disabled person's needs. Flexible Purchasing Guidelines were developed to support disabled people in how they use their funding with EIF.

Changes to the Purchasing Guidelines were implemented in March 2024 to return to pre-COVID-19 funding parameters.

Disabled people are significantly more at risk than non-disabled people of experiencing all forms of abuse and neglect.

Budget 23 provided $6.11 million to address family violence against disabled people and implement Action 28 of the Te Aorerekura Action Plan.

Family violence and sexual violence

Disabled people are significantly more at risk than non-disabled people of experiencing all forms of abuse and neglect.[4]

Budget 23 provided $6.11 million to address family violence against disabled people and implement Action 28 of the Te Aorerekura Action Plan:[5] "Implement Safeguarding Responses for Disabled and Vulnerable Adults".

The Ministry added an additional $2.1 million funding over four years from 2023 to target professional practice in needs assessment services.

This work programme seeks to increase access to mainstream family violence services and sexual violence services, as well as specialist supports that meet the specific needs of disabled people and tāngata whaikaha Māori when they experience, or are at risk of experiencing, violence and abuse.

As lead agency responsible for operational delivery of Action 28, the Ministry commissioned the Disability Abuse Prevention and Response (DAPAR) prototype. DAPAR is delivered by Visible, a team of social work specialists and disabled people with specialist experience in family violence who work directly with the disabled person experiencing, or at high risk of experiencing, abuse. Using an EGL approach, the team builds a multi-agency response that can include Police, health, disability providers and NASCs to support the disabled person to achieve a safer life.

DAPAR also provides capability training to support disability and family violence agencies to be responsive to disabled people.

The Ministry is involved in multi-agency work to develop a new five-year action plan to prevent and respond to family violence and sexual violence.

4 www.sciencedirect.com/science/article/pii/S0749379721001914?via%3Dihub – Family Violence clearing house.
5 Te Puna Aonui and the Ministry are joint fund holders of this allocation.

Connecting and strengthening disability communities

The Ministry provides and oversees supports that relate to tāngata whaikaha Māori and disabled people, and their whānau, to access services and information by investing in provider and workforce capability, NASCs and Disability Information and Advice Services (DIAS).

Enabling Good Lives

There are three EGL sites in Christchurch, Waikato and Mana Whaikaha in Palmerston North. The EGL sites were inherited as part of the transition and no new sites have been added. In 2023/24, there were 90 people working across these locations, with approximately 4,500 disabled people accessing support through them.

The EGL sites have continued to support their communities to adapt to changes to the purchase rules in a relational way, and to focus on seeing the options that continue to be available for support. The ongoing work of the Directors' Funding Panel is achieving increased convergence in practice across the sites, and providing additional assurance about the consistency and quality of decision-making for high-cost funding packages.

Some key highlights across sites during the year are:

- Connecting with an experienced Behaviour Support Specialist in managing packages under EGL Waikato. This is an expansion of specialist facilitation, which help with personal budgets and the supports delivered through them to be as effective as possible.
- EGL Waikato working alongside a local residential care provider to support them to take a more authentic approach to living arrangements and broaden the range of living situations.
- Developing an internal website for EGL Christchurch updated with community resources to reduce research time for Connectors and strengthen the use of alternatives to personal budgets. This has been shared with the local NASC to support them as well.
- Mana Whaikaha relocated to a new building in Palmerston North. This move has delivered on a longstanding hope from the Mid-Central community that there is a bespoke space that the community can come into.

In 2023/24, there were 90 people working across the three EGL locations, with approximately 4,500 disabled people accessing support through them.

This year, Mana Whaikaha has had a particular focus on 'Mainstream First':

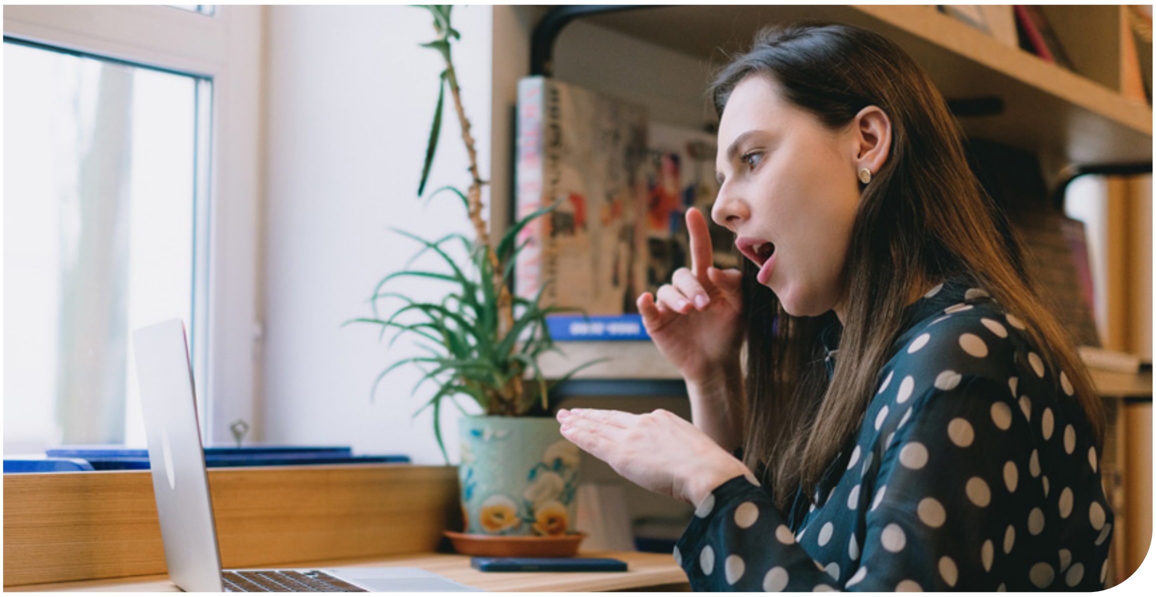
- The Community Development team has been successful in rolling out the 'Companion Card' in the Horowhenua, making mainstream support for disabled people more affordable and reducing reliance on personal budgets to meet some expenses supporters might incur.
- Mana Whaikaha has continued to deepen the relationship with MSD, to ensure seamless support across government. This includes supporting the Ministry to ensure that disabled people access their full and fair entitlements and manage risks that benefits will lapse from non-contact with the system. It has also involved ensuring kaimahi/staff understand existing mainstream support.

Payment for family members for support services

People receiving disability supports have the option to choose to pay a family member to provide those supports. This applies to supports that would otherwise be provided by a support worker through the Ministry's funding and Health New Zealand-funded support services. The Ministry has utilised this funding to address increases in costs where disabled people were receiving Family Funded Carer services and are now receiving Individualised Funding and other flexible supports.

New Zealand Sign Language Board

Latest data from the 2023 Census shows the number of New Zealand Sign Language (NZSL) users has increased to almost 25,000 people. Of this group, around 4,500 are estimated to be Deaf. NZSL is fundamental to learning, communicating and participating in society. International research illustrates that access to sign language is a strong predictor of good health and wellbeing outcomes for Deaf people.



The Ministry provides support for to the NZSL Board in its key functions:

- maintaining and promoting the use of NZSL
- ensuring the rights of Deaf people and NZSL users to use NZSL
- providing advice to the Government and the community on NZSL.

This includes co-ordinating government monitoring and reporting on the implementation of the NZSL Strategy, UNCRPD and the New Zealand Disability Strategy, as well as executive support for the Board's Annual Report, responses to Official Information Act requests and correspondence with the NZSL community.

During the last year the Ministry and the NZSL Board have:

- progressed work to develop the next NZSL Strategy 2025 to address systemic barriers to the use of NZSL and explore opportunities for its growth
- continued investing in strategic contracts aimed at promoting and maintaining NZSL, such as contracting Victoria University to maintain and update the *NZSL Dictionary*
- allocated $175,000 in community grants to maintain and promote NZSL
- refreshed the Board by appointing a new Chair and three new members
- strengthened relationships between the NZSL Board and its advisory body, Te Rōpū Kaitiaki, and supported the development of an action plan for Turi Māori
- delivered the Sign Language Proficiency Interview service, to assess the NZSL proficiency of educators and other NZSL users
- progressed policy work to explore how to implement a high-quality, professional NZSL interpreting standards system, and improvements to the accessibility of the NZSL Community Grant process
- launched a new standalone website for the NZSL Board.

NZSL numbers:

25,000 NZSL users approximately.

4,500 people are estimated to be Deaf.

$175,000 allocated in community grants to maintain and promote NZSL.

4 new Board members including a new Chair.

Pacific disabled people

Pacific people's perspectives on disability differ from non-Pacific people, reflecting their belief in the interconnectedness of health, spirituality and social aspects of life.

Pacific disabled people experience less equitable outcomes in comparison with other groups.

The Ministry is undertaking initiatives to improve disability support and services, accessible information and cultural responsiveness to the needs of the diverse communities we serve.

Over the past year, our focus has been on developing and publishing the inaugural National Pacific Disability Action Plan (Action Plan), with community leaders involved at every step of Plan's development to ensure that each Island group's voice was valued and heard.

A series of 20 talanoa facilitated by regional leadership and respective Island groups was held across New Zealand, bringing together over 1,000 Pacific disabled people, their aiga/whānau, carers, community leaders, Pacific NGOs/providers and extended family.

The Action Plan sets out priorities, initiatives and actions over the next five years to improve outcomes for Pacific disabled people and their families.

The talanoa highlighted a crucial need to place greater emphasis and value on families who, out of deep cultural values, love and a strong sense of duty are often the primary caregivers for many Pacific disabled people. Providing access to the necessary tools, information and assistance will support both the Pacific disabled person and their family networks.

The Action Plan sets out priorities, initiatives and actions over the next five years to improve outcomes for Pacific disabled people and their families.

It provides a foundational framework from a Pacific disability perspective, ensuring that community-led initiatives and solutions are effectively integrated and supported by the Ministry. This includes improving disability literacy in communities to reduce stigma and promote inclusive attitudes, addressing workforce gaps through cultural competence and targeted recruitment, and strengthening support for families by improving access to resources and services.

A comprehensive monitoring and evaluation framework is being developed, incorporating a flexible Pacific model with culturally relevant practices and values to track progress and assess impact.

Residential-based support services

High and Complex Framework

The HCF provides a diversionary pathway for people with an intellectual disability who are engaged with the criminal justice system towards more appropriate supports with a strong rehabilitative focus. Around 200–250 disabled people, many of whom have committed serious offences, are supported through the Framework.

The commissioning responsibilities for the Framework transferred to the Ministry on 1 July 2022.

The Ombudsman's 2021 Oversight Report identified that the current Framework does not always meet the needs of all care recipients. Living environment and infrastructure deficits, workforce shortages, and funding and capacity challenges are multi-causal and result in critical issues. Te Tiriti o Waitangi principles are also not well embedded into the approach.

The Ministry has developed a work programme to address the key issues raised in the 2021 Ombudsman's investigation and in the wider Framework. The Ministry released the HCF Operational Strategy in August 2023, which is a strategic response to the Ombudsman's 2021 Oversight Report.

This Operational Strategy outlines the desired future state as shared with the Ministry by those engaged with the Framework and describes the steps to take toward realising this vision.

Actions taken in the 2024 financial year include:

1. Forensic Coordination Services was moved under the direct management of the Ministry in March 2024. This transition has progressed well, and plans are underway to retender the service in 2025.
2. HCF Strategy Implementation is underway:
   - Governance Structure and authorising environment for the HCF Strategy Implementation was stood up in November 2023.
   - There is regular engagement with Treasury on planning for capital and operational investment into forensic ID facilities following the submission and review of the HCF Risk Profile Assessment by Treasury in August 2023.

- Strategic Assessment will seek approval to develop a Programme Business Case (PBC) for the capital and operational investment required to meet critical capacity and flow challenges across the HCF. This was reviewed by governance groups.
- Planning for all five cases of the PBC is underway, including cross-agency and sector consultation on preferred investment options development.
- Workforce and Policy working groups have been stood up and sequencing of actions and key deliverables is underway.

3. Response to the Ombudsman Report:
    - A formal response to ‘Oversight’ was provided to the Office of the Ombudsman on 1 August 2023.
    - Ongoing and regular updates are provided to the Office of the Ombudsman via written reporting and six-weekly meetings.

Early intervention support services

The Ministry provides and oversees supports related to early intervention for disabled people and tāngata whaikaha Māori who are early in life, in life transitions, or in vulnerable situations, to enable them to live good lives.

Quality and safeguarding

The Ministry aims to ensure all quality and safeguarding mechanisms are implemented according to good-quality management principles, underpinned by Te Tiriti o Waitangi and EGL principles.

The Ministry has delivered the following mechanisms, programmes and initiatives to improve quality and safeguarding:

a. Reviewed 182 critical incident reports, 11 death reports and six complaints on average each month, and took appropriate actions: updated and published complaints operational guidance.

b. Commissioned annual evaluations of a risk-stratified sample of contracted providers and conducted investigations in response to serious complaints, incidents, deaths or quality concerns. In 2023/24, the Ministry commissioned 221 evaluation days, which covered 68 contracted providers.

c. Commissioned a DAPAR prototype, a new disabled-led community-led team of specialists in family violence and safeguarding from abuse of disabled adults referred by the Ministry and NASCs. This prototype builds capacity and capability across communities, agencies and sectors to be responsive to the situations of abuse of disabled people.

d. Published the Quality and Safeguarding Framework and contracted Sapere to work with the Ministry, the disability community and sector to research how to improve the Framework to ensure disability supports are of high quality and that disabled people and their whānau are safeguarded from violence, abuse and neglect.

e. Commissioned People for Us, a peer visiting service for disabled adults who live in residential services to find out if they are safe, living a good life, and experiencing high-quality support and to find the best way to resolve safety or wellbeing concerns.

f. Completed the design and procurement of Assisting Change, a new quality and safeguarding initiative to support disability providers to address and resolve specific quality issues and improve the quality of their services. This initiative matches advisors with the right skills, including Kaupapa Māori and Pacific advisors, to providers to improve the quality of their services.

The Ministry provides and oversees supports related to early intervention for disabled people and tāngata whaikaha Māori who are early in life, in life transitions, or in vulnerable situations, to enable them to live good lives.

Environmental Support Services

Purchasing Rules

During the financial year, changes were made to the Purchasing Rules for flexible funding supports and changes to prioritisation and access to Equipment and Modifications Services.

These changes were made due to a significant and ongoing increase in the demand for our support services. To ensure those with the highest needs are prioritised, the Ministry had to make some difficult decisions. The incredibly difficult decision to reduce some aspects of flexibility was made alongside the very urgent need to ensure the Ministry could continue to fund critical Equipment and Modification Services.

The revised Purchase Rules continue to be a framework within which disabled people and whānau can make decisions about what is right for them. They are not intended to be a list of things that are 'in' or 'out'.

Links to the Purchasing Guidance and clarifications on Purchasing Rules follow:

- **Purchasing Guidance | Ministry of Disabled People – Whaikaha**
- **Clarifications on Purchasing Rules for Flexible Funding | Whaikaha – Ministry of Disabled People**

Table 1. Number of people accessing Equipment Modification Services (EMS) by age band. The 'people' number is the distinct NHI count. This is less than the sum of rows as some people move across the age bands within the financial year.

Age band	People	Spend
0–15 years	3,286	$18,509,982
16–64 years	8,904	$29,335,187
65–79 years	16,354	$21,079,771
80 plus years	18,633	$13,308,678
Unspecified	8	$8,204
Total	**47,185**	**$82,241,822**

Supporting tāngata whaikaha Māori and disabled people – cost pressures

The Government allocated $1.1 billion over the forecast period to ensure the Ministry can continue to deliver critical DSS for disabled people and tāngata whaikaha Māori.

This initiative provides additional funding each year on top of maintaining the Government's more than $2.2 billion per annum investment in DSS.

The new funding goes towards meeting cost pressures on the system, including price increases due to inflation and increases in service volumes due to demand.

At the same time, an independent review of the disability support system is being undertaken to ensure its long-term financial sustainability.

The Ministry received $80 million in year funding in Budget 2024 to address the risk of breaching appropriation.

The Government allocated $1.1 billion over the forecast period to ensure the Ministry can continue to deliver critical DSS for disabled people and tāngata whaikaha Māori.

Budget significant initiatives

The Ministry is expected to continue to identify where a user can find more information on significant Budget decisions from the previous three Budgets. The following table outlines where to find more information on Budget significant initiatives from the last two Budgets.

Table 2: Budget significant initiatives

Name of initiative	Budget year first funded	Location of information
Disability Support Services cost pressures	2023	www.whaikaha.govt.nz/news/budgets/budget-fact-sheets/supporting-tangata-whaikaha-maori-and-disabled-people-cost-pressures
Establishing a new Ministry	2022	www.msd.govt.nz/about-msd-and-our-work/newsroom/budget/2022/factsheets/establishing-a-new-ministry-for-disabled-people.html
Payment to family members for support services	2022	www.whaikaha.govt.nz/support-and-services/carer-support-and-respite/carer-support

Future key performance indicators

There are many areas in which we would like to measure towards the vision of a non-disabling New Zealand, but there is a lack of data and processes to do this robustly and consistently.

Our intention is to design and test relevant evaluative approaches with disabled people, tāngata whaikaha Māori and whānau to check they are understandable, implementable and meaningful. We will also work with other agencies and the disabled community to develop data and processes that are consistent and robust.

We will use data sources and measures of progress that meet the following criteria:

- Data is available.
- Data is updated in the years 2024–2029.
- Measures are specific.
- Measures relate to improvements in the lives of disabled people.

Our approach to measuring progress must begin with population-level indicators that track improvements for all disabled people in New Zealand. The set of performance measures relate to our work and will show the effectiveness of our work. The following table outlines possible key performance indicators that can be used for a future strategy approach.

Table 3: Population-level measures

Measure	Baseline	Source	Desired trend	Rationale
Subjective wellbeing				
Percentage of disabled people who rated their family wellbeing as 7 or above on a 0–10 scale.	**73.3%**	NZ Health Survey	↑	Measure progress against our purpose of improving outcomes for disabled people and their families. The NZ Health Survey chosen over GSS due to greater sample size and frequency.
Percentage of disabled young people (aged 12–18) who rated their family wellbeing as 7 or above on a 0–10 scale.	**55%**	Youth Health and Wellbeing Survey (21/22)		A similar measure is also available for young people aged 12–18 from the Youth Health and Wellbeing Survey (YHWS). As this is a CYWS indicator it will be retained in the updated survey.

Measure	Baseline	Source	Desired trend	Rationale
Economic wellbeing				
Employment rate: For all disabled people (aged 15–64) For tāngata whaikaha Māori (aged 15–64).	**39.8%** **27.2%**	Household Labour Force Survey (June 2024 quarter)		Having stable and fulfilling employment is strongly linked to wellbeing measures such as life satisfaction. As this is about current participation, we might expect to see it change more quickly, and as a direct result our work, than other population-level measures.
Percentage of disabled children and young people (aged 0–17 years) living in households experiencing material hardship.	**22%**	Child poverty statistics (2023)		This is a key child poverty measure. Material hardship has been chosen over the income-based measures as these don't take into account additional cost that disabled households face that may have an impact on people's lives.
Identity, choice and control				
Percentage of disabled people* (aged 15–64) who gave a rating of 7 or above on a 0–10 scale for sense of control over their lives.	**54.1%**	General Social Survey (2023)		This is a key measure that speaks to how much control disabled people have over their own lives. In a non-disabling New Zealand, disabled people should feel like they have the same level of control as non-disabled people, but currently there is a significant gap (75.9 percent for non-disabled people of same age group).
Society				
Percentage of people aged 15 and over who said they felt comfortable or very comfortable about a new neighbour who had a disability or long-term health condition.	**84.6%**	General Social Survey (2023)		There are several acceptances of diversity measures in GSS – the percentage of people who are comfortable or very comfortable about a new neighbour who had a disability or long-term health condition was the lowest, with the exception of a new neighbour with a mental health condition. This measure allows us to track longer-term progress on how accepting New Zealand is towards disability.

Section 3

Other reporting requirements

Carbon Neutral Government Programme reporting

We are committed to reducing our carbon emissions and introducing more sustainable practices to support the Carbon Neutral Government Programme (CNGP).

For the first time since the establishment of the Ministry in FY23 we have measured our carbon emissions and will report to the CNGP in November 2024. The current financial year is our base year for emissions reporting.

We are planning our key emissions reduction initiatives, in close collaboration with our colleagues in MSD, by focusing on our top emissions sources: business travel, energy use in office buildings and vehicle fleet. During the forthcoming financial year, we will consider and set targets to reduce our emissions.

Emissions profile

A breakdown of our emissions profile is shown below. Our emissions reporting aligns with central agency CNGP guidance and is independently verified by Opportune NZ.

Whaikaha Emissions Inventory FY 2023/24 (Base Year) emissions data is provisional and unverified.

Table 4: Our carbon emissions (tonnes CO2e)

Emissions source	Emissions (tCO_2e)
Scope 1	
Petrol use	14.1
Natural gas	0.4
Scope 2	
Electricity	18.0
Scope 3	
Domestic air travel	94.1
Mileage	15.9
Rental vehicles	9.9
Taxi	5.5
Domestic accommodation	9.8
Working from home	4.8
Waste to landfill	10.5
Water supply/wastewater	1.1
Electricity transmission and distribution losses	1.0
Postage and freight	0.2
Employee commuting*	120.7
Purchased Goods*	8.6
Total non-mandatory emissions*	**129.3**
Total CNGP mandatory emissions sources	**185.4**
Total emissions	**314.2**

* Non-mandatory emissions sources

Appendix

Disabled people population and life outcomes statistics

Collection of disability data

Disabled people face significant disparities in many life outcomes compared to their non-disabled counterparts, but until recent years data on disability in New Zealand was extremely limited. Data and evidence is key to supporting and measuring progress towards the Ministry's vision of a non-disabling New Zealand.

The Ministry and Stats NZ continue to co-facilitate the Disability Data and Evidence Advisory Group (DDEAG), which meets regularly to provide advice and support to improve the amount and quality of disability data across the New Zealand data system. The group includes representatives from government agencies, Te Ao Marama o Aotearoa Trust (TAMA), the Disabled People's Organisations (DPOs) Coalition, the Donald Beasley Institute and the New Zealand Disability Support Network.

A key success over the last seven years is the consistent adoption of the Washington Group Short Set (WGSS) of questions in a wide range of surveys across government, including the Census. This has led to an exponential improvement in the availability of data that allows us to compare outcomes for disabled and non-disabled people. However, there is still more to do to continue to build the evidence base around disability in Aotearoa to support the Ministry, the wider public system, disability groups and communities to improve outcomes for disabled people, tāngata whaikaha Māori and their families.

A key success over the last seven years is the consistent adoption of the Washington Group Short Set (WGSS) of questions in a wide range of surveys across government, including the Census.

A key focus for the ongoing work programme of the DDEAG is on administrative data collection, which is particularly important within the context of Tatauranga Aotearoa Stats NZ's progressive journey towards becoming an organisation that uses administrative data first.

A larger Community of Practice (CoP) meets monthly to enable connectivity between colleagues in government agencies who work in disability measurement and outcomes monitoring. The CoP now includes over 100 members from over 30 different agencies.

In March 2023, the Ministry established a new Data and Insights team. The team's role is to provide robust, high-quality disability data, insights and advice, both within the Ministry and across the data system, that support better evidence-informed decision-making.

Key elements of the Data and Insights team's work include:

- Monitoring outcomes for disabled people against the eight outcome areas of the New Zealand Disability Strategy (NZDS).
- IDI research to better understand the disabled population, and development of IDI code modules to support other researchers to include a disability perspective in their work.
- Influence and stewardship across the data system through DDEAG and CoP to improve the availability and use of disability data.
- Internal and external capability building and support on the use of disability data.
- Supporting implementation of the Monitoring, Evaluation, Analysis and Learning (MEAL) Framework to centre the voices and lived experiences of disabled people and tāngata whaikaha Māori, and measure what is important from their perspective. Also, supporting Stats NZ as it progresses work on the future of the Census and towards developing a New Zealand Disability Data Framework, a recommendation of the UNCRPD examination in 2022.

Our population

An estimated 1.1 million New Zealanders (24 percent) were disabled at the time of the survey.

The data below is taken from the 2013 New Zealand Disability Survey (2013 Disability Survey). Data from the 2023 Disability Survey will become available in late 2024. The 2013 data showed that:

- An estimated 1.1 million New Zealanders (24 percent) were disabled at the time of the survey.
- Disability prevalence increased with age, with 59 percent of people aged 65 years and over identified as disabled, compared with 28 percent of those aged 45–64 years, 16 percent of those aged 15–44 years and 11 percent of people aged 14 years and under.
- The three most common impairment types New Zealanders experienced were mobility (13 percent), hearing (9 percent) and agility (7 percent).
- Just over half (53 percent) of disabled people reported multiple impairments – males were more likely to experience multiple impairments than females in younger age groups (0–14 years), but for those aged 65 years and over, females were more likely to experience multiple impairments.
- Disability prevalence varied by ethnicity, with 26 percent of Māori and 25 percent of Europeans identified as disabled, compared with 19 percent of Pacific peoples and 13 percent of Asian people. However, disability is strongly correlated with age, so the younger age profiles of Māori and Pacific Peoples masks the true extent of differences in disability rates.
- When adjusted to the age profile of the total population, disability rates by ethnicity were:
  - Māori – 32 percent
  - European – 24 percent
  - Pacific peoples – 26 percent
  - Asian – 17 percent.

Of the 62,000 New Zealanders supported by the Ministry through DSS:

- **40 percent** have an intellectual disability as their principal disability (many of whom also have a physical disability)
- **40 percent** have autism as their principal disability
- **19 percent** have a physical disability as their main disability.

People may have up to two primary disabilities listed.

Disparities in economic outcomes

The data showed that 46 percent of disabled young people (aged 15–24 years) were not in employment, education or training (NEET), compared with 11 percent of non-disabled young people.

Many disabled people live full, productive lives with mana and dignity. However, many disabled people continue to face significant disparities in many life outcomes compared to their non-disabled counterparts.

For example, data from Stats NZ's Household Labour Force Survey (HLFS) June 2024 quarter showed, compared with non-disabled people in the same age group, disabled people aged 15–64 years:

- were less likely to be employed, with an employment rate of 40 percent, compared with 80 percent for non-disabled people
- were less were likely to hold a post-school qualification (46 percent, compared with 59 percent).

In the June 2023 quarter, disabled people aged 15-64 years earned a lower median hourly income from wages and salaries ($28), compared with $31.83 for non-disabled people.

The data also showed that 46 percent of disabled young people (aged 15–24 years) were not in employment, education or training (NEET), compared with 11 percent of non-disabled young people.

Stats NZ's Child Poverty Statistics (year ended June 2023) also showed that disabled children and children living in households with at least one disabled person were much more likely to live in households in material hardship.

Disparities in health and wellbeing outcomes

Data from the 2021 General Social Survey also showed that disabled people face poorer outcomes across a number of wellbeing areas.

The New Zealand Health Survey has been collecting disability data since 2018/19. This shows that, compared with non-disabled people, disabled people experience significantly poorer outcomes in many areas. For example, in 2022/23, disabled people aged 15 years and over were:

- much less likely to rate their overall health as good, very good, or excellent (57 percent, compared with 89 percent)
- much more likely to have experienced high or very high level of psychological distress in the last four weeks (36 percent, compared with 9.5 percent)
- more likely to have an unmet need in accessing primary health care
- much more likely to have visited an emergency department at least once in the last 12 months (42 percent, compared with 15 percent).

Data from the 2023 General Social Survey also showed that disabled people face poorer outcomes across a number of wellbeing areas. For example, when compared with non-disabled people, disabled[6] people aged 15–64 years were:

- less likely to rate their overall life satisfaction highly (7 or above out of 10) – 57 percent and 80 percent, respectively
- less likely to feel the things they do in life are worthwhile (7 or above out of 10) – 67 percent and 84 percent, respectively
- less likely to feel a strong sense of control over their lives (7 or above out of 10) – 54 percent, compared with 74 percent.

6 Based on the WGSS questions.

Disabled people aged 15–64 years were also more likely to:

- say they didn't have enough money to meet everyday needs (22 percent, compared with 10 percent)
- have poor overall mental wellbeing (57 percent, compared with 25 percent)
- have experienced discrimination in the last 12 months (36 percent, compared with 23 percent) – disabled people also had consistently lower levels of trust in other people and in institutions such as courts, education and health systems, Police, media and parliament than non-disabled people.

Data from the Youth Health and Wellbeing Survey, What About Me!, showed that disabled youth were twice as likely to experience serious distress (scores higher than 13 out of 24) compared to the New Zealand average (56 percent vs 28 percent). Disabled people are also at higher risk of victimisation than non-disabled people. For example, pooled data from the New Zealand crime and victim survey 2018 to 2023 showed that, when standardised for age, 49 percent of disabled adults had been a victim of sexual assault and intimate partner violence at some time in their lives, compared with 30 percent of non-disabled adults.

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