



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

Annual Report

Pūrongo ā-Tau

20

26

Introduction

Kupu Whakataki

This document contains the following two reports:

Ministry of Social Development Annual Report 2026

This report explains how the Ministry of Social Development (MSD) helped New Zealanders in the year from 1 July 2025 to 30 June 2026. The Annual Report is one of the key means by which 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 2026.

This report is presented to the House of Representatives pursuant to section 44(1) of the Public Finance Act 1989.

Vote Social Development Non-Departmental Appropriations Report 2026

This report provides performance information relating to non-departmental expenditure within Vote Social Development that is administered on behalf of the Minister for Social Development and Employment. Although it is included in the same document as MSD's Annual Report for the purposes of presentation to Parliament and publication, it does not form part of the Annual Report.

This report is presented to the House of Representatives pursuant to section 19B of the Public Finance Act 1989 and begins on page 207.

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Chief Executive's foreword, including statement of responsibility

Te kupu takamua a Te Tumu Whakarae,
me te tauākī kawenga

Tēnā koutou katoa

In our country of more than 5.3 million people, nearly 1.5 million New Zealanders received some form of income support from MSD over the last year, and almost every New Zealander will come to us for support at some point in their lives.

Everyone has their own reason for reaching out to us. They may need help finding work, support to get through a period of unforeseen financial hardship, or assistance with housing costs. They may need to access disability support services, be ready to apply for New Zealand Superannuation, or want to apply for a Student Allowance or Student Loan. Whatever the reason, our purpose remains the same: we help New Zealanders to be safe, strong and independent – Manaaki Tangata, Manaaki Whānau.

This year, demand for our services remained high. People receiving New Zealand Superannuation increased by 32,000 from last year to 974,000 and will continue to increase as the population ages. While economic conditions remained challenging, a major focus on employment contributed towards 86,500 people coming off a main benefit into work. Growth in Jobseeker Support numbers is slowing compared with last year, and we remain committed to meeting the Government's employment target of 50,000 fewer people on the Jobseeker Support benefit by 2030.

We strengthened our work with employers, expanded employment case management, and invested in programmes that help people prepare for, find and stay in work. We also launched the first phase of our new Digital Employment Service, featuring technology to help job seekers connect to opportunities they might not otherwise have seen. This was a significant milestone in our multi-year transformation programme.

MSD is the co-lead agency for the Government's target to reduce the number of households in emergency housing by 75 percent. This was met in December 2024 and has been maintained since. In Budget 2026, the Government announced a review of the social housing system. MSD is jointly leading this work alongside the Ministry for Cities, Environment, Regions and Transport (MCERT).

Our work to stabilise and strengthen the disability support system is challenging but essential. Disability Support Services has implemented a nationally consistent assessment process for disabled people to make the system fairer, more transparent and sustainable.

From 1 July 2025, our work has been guided by a new set of strategic intentions. In this Annual Report, we report on our progress across six focus areas, using them to help tell the story of our performance.

The people of New Zealand expect and need us to get it right. That is why we have implemented accuracy improvement plans, worked to reduce backlogs and introduced system enhancements to simplify processing.

I would like to acknowledge the findings of a review released in September 2026, which found that some Winter Energy Payments and other payments were suspended

when they should not have been. I apologise to everyone affected. We did not meet our own expectations or the expectations of the people in New Zealand we are here to serve. Payments have been restored and arrears paid to those who were affected, and we are implementing all the review's recommendations.

My thanks to our people at MSD and all those we work with. Our work is strengthened by the close relationships we have with employers and industry, community groups, non-governmental organisations, hapū and iwi, Pacific peoples, disability groups and other government agencies. Together, we support communities, strengthen wellbeing, help prevent harm, and create opportunities for people and whānau.

MSD is one of the government agencies responding to the Dame Karen Poutasi review of the children's system. None of us want to see any child harmed and we are working together on improving the safety nets in the system to prevent harm to children. As part of this, a multi-agency hub was set up in 2026, with staff from MSD and other agencies co-located so they can quickly access and share information to identify and address risks to children whose sole carers are in custody.

I have worked in most parts of MSD in my time here, the last seven as Chief Executive. What never fails to impress me is the people who work here and those we partner with, their dedication and their commitment to making a difference to the communities we live in every day.

Statement of responsibility

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 2026 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 2027 and its operations for the year ending on that date.



Debbie Power | Chief Executive | Ministry of Social Development
30 September 2026

Te kupu takamua a Te Tumu Whakarae, me te tauākī kawenga

Tēnā koutou katoa

I tō mātou whenua, o te 5.3 miriona hemihemi tāngata, tata ki 1.5 miriona ngā tāngata o Aotearoa i whiwhi i tētahi tautoko moniwhiwhi i MSD i tērā tau, ā, he wā anō ka whirinaki mai te nuinga o ngā tāngata o te motu ki a mātou i ō rātou oranga.

He take anō i toro mai ai te ringa o tēnā o tēnā ki a mātou. Ka hiahia āwhina pea ki te rapu mahi, te tautoko i te wā o te taumaha ā-pūtea ohorere, te āwhina rānei ki ngā utu ā-whare. Ka hiahia pea kia āhei atu ki ngā ratonga tautoko whaikaha, kia rite ki te tono i te Penihana o Aotearoa, ka hiahia rānei ki te tono i tētahi Pūtea Āwhina Ākonga, Pūtea Taurewa Ākonga rānei. Ahakoa te take, e mau tonu ana tō mātou kaupapa: ka āwhina mātou i te hunga o Aotearoa kia haumarū, kia pakari kia tū motuhake hoki - Manaaki Tangata, Manaaki Whānau.

I tēnei tau, he nui tonu te popono ki ō mātou ratonga. Ko te maha o te hunga e whiwhi ana i te Penihana o Aotearoa, i piki mā te 32,000 i tērā tau ki te 974,000, ā, ka piki tonu i te wā e pakeke haere ana te taupori. Ahakoa te piere nuku tonu o ngā āhuatanga ōhanga, nā te arotahi matua ki te whiwhi mahi, i whai wāhi ai te makeretanga o te 86,500 tāngata i te penihana me te kuhu ki tētahi tūranga mahi. E pōturi haere ana te tipuranga o te Tautoko Jobseeker ina tauritea ki tērā tau, ā, ka pūmau tonu mātou ki te whakatutuki i te whāinga whiwhi mahi a te Kāwanatanga o te iti ake i te 50,000 tāngata i runga i te penihana Tautoko Jobseeker ā te 2030.

I whakapakaritia e mātou ā mātou mahi ki ngā kaituku mahi, i whakawhānuitia ngā kēhi whakahaere whiwhi mahi, me te haumi anō ki ngā hōtaka i āwhina i te tangata i ki te whakarite, te rapu me te pupuri tūranga mahi. I tīmataria hoki e mātou te huringa tuatahi o tā mātou Ratonga Whiwhi Mahi Matihiko, arā, he kaupapa hangarau hei āwhina i ngā kairapu mahi ki te tūhono atu ki ngā arawātea kāore pea rātou i kite i mua. He tutukinga matua tērā i tā mātou hōtaka whakaumu tau-tini.

Ko MSD te tari ārahi-ngātahi mō te whāinga a te Kāwanatanga ki te whakaiti i te nui o ngā whānau kei ngā wharenoho ohotata mā te 75 ōrau. I tutuki tēnei whāinga i te Tihema 2024, ā, e ū haere ana mai i taua wā. I te Mahere Pūtea 2026, i whakaputaina e te Kāwanatanga tētahi arotake o te pūnaha whare pāpori. E ārahi-ngātahi ana a MSD i tēnei mahi i te taha o te Ministry for Cities, Environment, Regions and Transport (MCERT).

He mahi uaua tā mātou mahi ki te whakawhena me te whakapakari i te pūnaha tautoko whaikaha engari he mahi waiwai. Kua whakatinanahia e ngā ratonga Tautoko Whaikaha he tukanga aromatawai reretahi ā-motu mā ngā tāngata whaikaha, kia tōkeke ake, kōataata ake, toitū ake hoki te pūnaha.

Atu i te 1 o Hūrae 2025, i arahina ā mātou mahi e tētahi huinga takunetanga ā-rautaki hou. I tēnei Pūrongo ā-Tau, ka pūrongo atu mātou i ā mātou kokenga puta noa i ngā aronga e ono, arā, he whakamahi i aua mea ki te āwhina ki te whakapuaki kōrero mō ā mātou whakatutukinga.

Ko te kawatau, otirā ko te hiahia o ngā tāngata o Aotearoa kia tika ā mātou mahi. Koinei te take kua whakatinanahia e mātou ētahi mahere whakapai tōtika, i mahi ki te whakaiti i ngā tōmuritanga me te whakauru mai i ngā whakarākeitanga ki te pūnaha, hei whakamāmā i te tukanga.

Ka tūtohu au ki ngā kitenga o te arotake i puta i te Hepetema 2026, arā, ko te tārewatanga o ngā Utunga Pūngao Takurua me ētahi atu utunga i te wā kāore e tika ana kia pērā. E rere atu ana aku whakapāha ki te hunga i pā kinotia. Kīhai i tutuki i a mātou ō mātou ake tūmanako, ngā tūmanako rānei o ngā tāngata i Aotearoa e mahi

nei mātou mō rātou te painga. Kua whakaritea anō aua utunga, ā, kua utua hoki ngā utu tārewa ki te hunga i pā kinotia, me te whakatinana anō i ngā tūtohu o te arotake.

Aku mihi ki ō tātou kaimahi kei MSD, me te hunga katoa e mahi tahi nei matou. E whakapakaritia ana ā mātou mahi i ngā hononga tata ki ngā kaituku mahi me te ahumahi, ngā rōpū hāpori, ngā whakahaere i waho o te kāwanatanga, ngā hapū me ngā iwi, ngā iwi o Te Moana-nui-a-Kiwa, ngā rōpū whaikaha me ētahi atu tari kāwanatanga. Mā te mahi tahi, ka tautoko mātou i ngā hāpori, ka whakapakari i te oranga, ka āwhina ki te tauārai i te kino, me te hanga arawātea mā te tangata me ngā whānau.

Ko MSD tētahi o ngā tari kāwanatanga e urupare ana ki te arotake a Kahurangi Karen Poutasi i te pūnaha tamariki. Kāore tātou i te hiahia kia tūkinohia tētahi tamaiti, ā, e mahi tahi ana mātou ki te whakapai ake i ngā kupenga haumarua i te pūnaha hei tauārai i te tūkinohia ki ngā tamariki. Hei wāhanga o tēnei, i whakaritea tētahi pokapū tari-takimaha i te 2026, me ngā kaimahi a MSD me ētahi atu tari e noho tahi ana kia āhei wawe atu ki ngā mōhiotia me te tiri anō ki te tautohu me te whakatau i ngā tūraru ki ngā tamariki kua mauheretia nei ō rātou kaitiaki.

Kua mahi au i roto i te nuinga o ngā peka o MSD i taku wā i konei, ā, i ngā tau e whitu ka hori, i tū au hei Tumu Whakarae. Ko te mea kōpurapura rawa ki ahau ko ngā tāngata e mahi ana i konei, me ngā hoa rangapū, arā, tō rātou pūmau ki te hiki i ngā hāpori e noho nei tātou i ia rā.

Te tauākī kawenga

Hei Tumu Whakarae mō Te Manatū Whakahiato Ora (MSD), e noho haepapa ana ahau mō:

- te whakarite i ngā tauākī pūtea me ngā tauākī whakapaunga a MSD, me ngā whakapaunga pūrawa, ā, tae atu ki ngā whakataunga kei roto
- te whakarite i tētahi pūnaha whakahaere rāroto kua hoahoatia hei whakarato whakaūnga whaitake ki te pono me te horopū o ngā pūrongo ahumoni
- te whakarite i ngā mōhiotia tutukinga mahi ā-tau mō ia tohanga ka whakahaeretia e MSD, i runga anō i ngā wāhanga 19A ki te 19C o te Public Finance Act 1989, ahakoa kei roto, kāore rānei i roto, aua mōhiotia i tēnei Pūrongo ā-Tau
- te tika o ngā mōhiotia tutukinga mahi ā-tau kua whakaritea e MSD, ahakoa kei roto, kāore rānei i roto, ngā mōhiotia i te Pūrongo ā-Tau.

Ki ōku whakaaro:

- ka whakaata tika te Pūrongo ā-Tau i ngā whakahaere, ngā kokenga, me te hauora ā-whakahaere me te mātau o MSD
- ka whakaata tika ngā tauākī pūtea i te tūnga ahumoni o MSD hei te 30 o Hune 2026, me āna whakahaere mō te mutunga o te tau i taua rā
- ka whakaata tika ngā tauākī pūtea matapae i te tūnga ahumoni matapae o MSD hei te 30 o Hune 2027 me āna whakahaere mō te mutunga o te tau i taua rā.



Debbie Power | Tumu Whakarae | Te Manatū Whakahiato Ora
30 o Hepetema 2026

About us

Mō mātou

MSD is the public employment service agency for New Zealand, which supports people to prepare for, find and stay in work. We are also the lead agency for managing and delivering New Zealand's welfare system (including housing support services), and delivering a range of other supports, including disability support services.

MSD's purpose – helping New Zealanders to be safe, strong and independent – is at the centre of what we do.

We recognise the diverse needs of our clients and people we work with, including Māori, Pacific peoples, youth, seniors and disabled people, and prioritise those with the greatest need.

We develop and implement policy and measure the progress of social outcomes for New Zealanders.

As an agency of the Crown, 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.

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

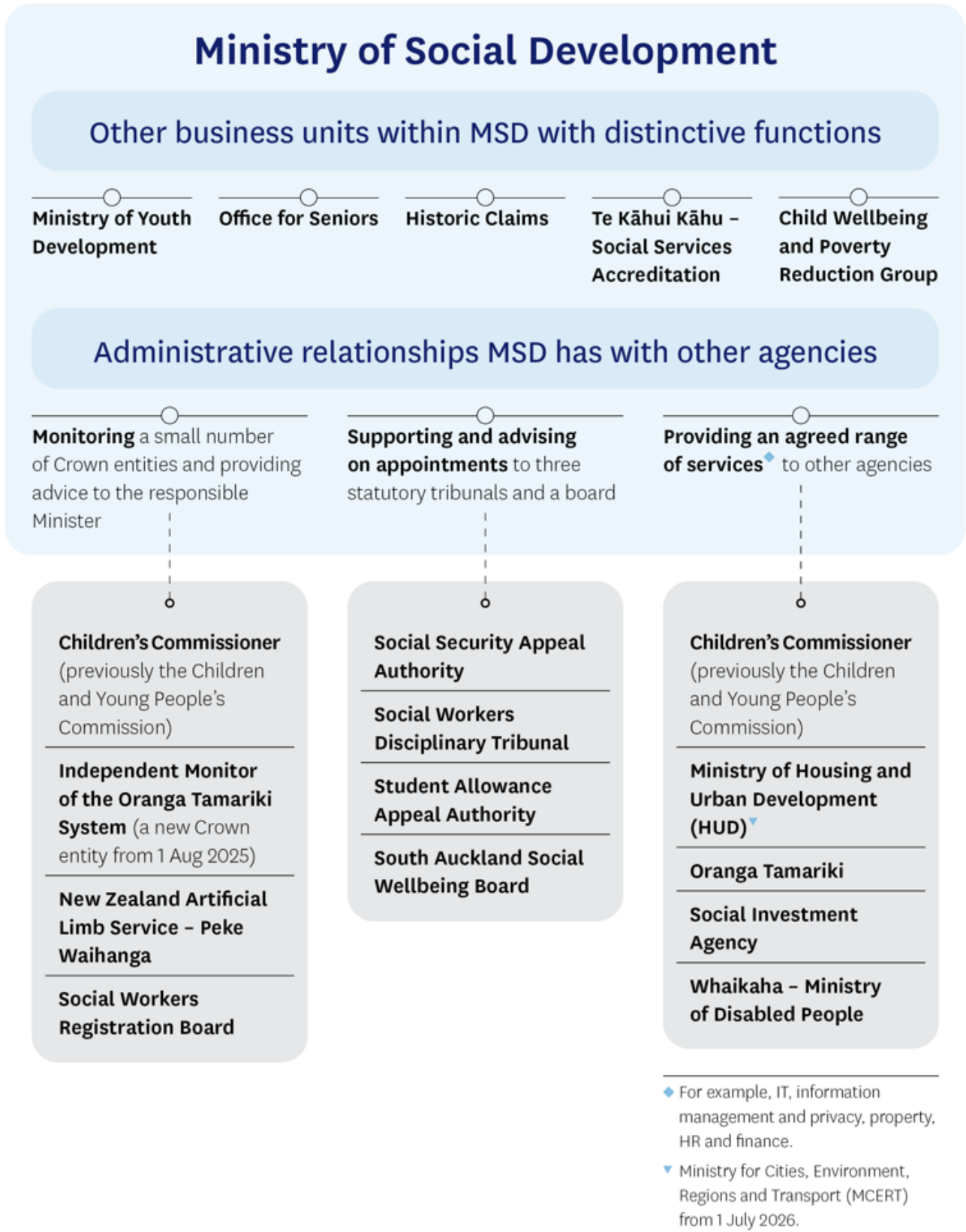
What we do

Figure 1: MSD's core functions



In addition to its core functions, MSD is responsible for a range of specialist business units and administrative relationships with other agencies, including those described in Figure 2.

Figure 2: MSD’s other distinctive functions and administrative relationships



Our Ministers

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

- Minister for Social Development and Employment
- Associate Minister for Social Development and Employment
- Minister for Disability Issues
- Minister for Child Poverty Reduction
- Minister of Housing
- Associate Minister of Housing
- Minister for Seniors
- Minister for Youth
- Minister for the Prevention of Family and Sexual Violence
- Minister for Veterans
- Minister of Revenue
- Minister for the Public Service and Digitising Government (as the Minister responsible for strengthening regional system leadership for the public service).

Our funding

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

Our budgeted spending is approved by Parliament following the Budget announcement each year. The Estimates of Appropriations sets out the funding allocated, policy initiatives approved, Ministers' spending intentions and how performance will be assessed. These may be amended in the Supplementary Estimates of Appropriations during the year.

From 1 July 2025, funding related to Disability Support Services (DSS) moved from Vote Social Development to the new Vote Disability Support Services. Both Votes are reported on in this Annual Report.

MSD also receives funding from some government agencies to provide accreditation services through Te Kāhui Kāhu and agreed corporate services. Full details of spending for 2025/26 can be found in the financial statements, starting on page 145.

Progress on strategic intentions

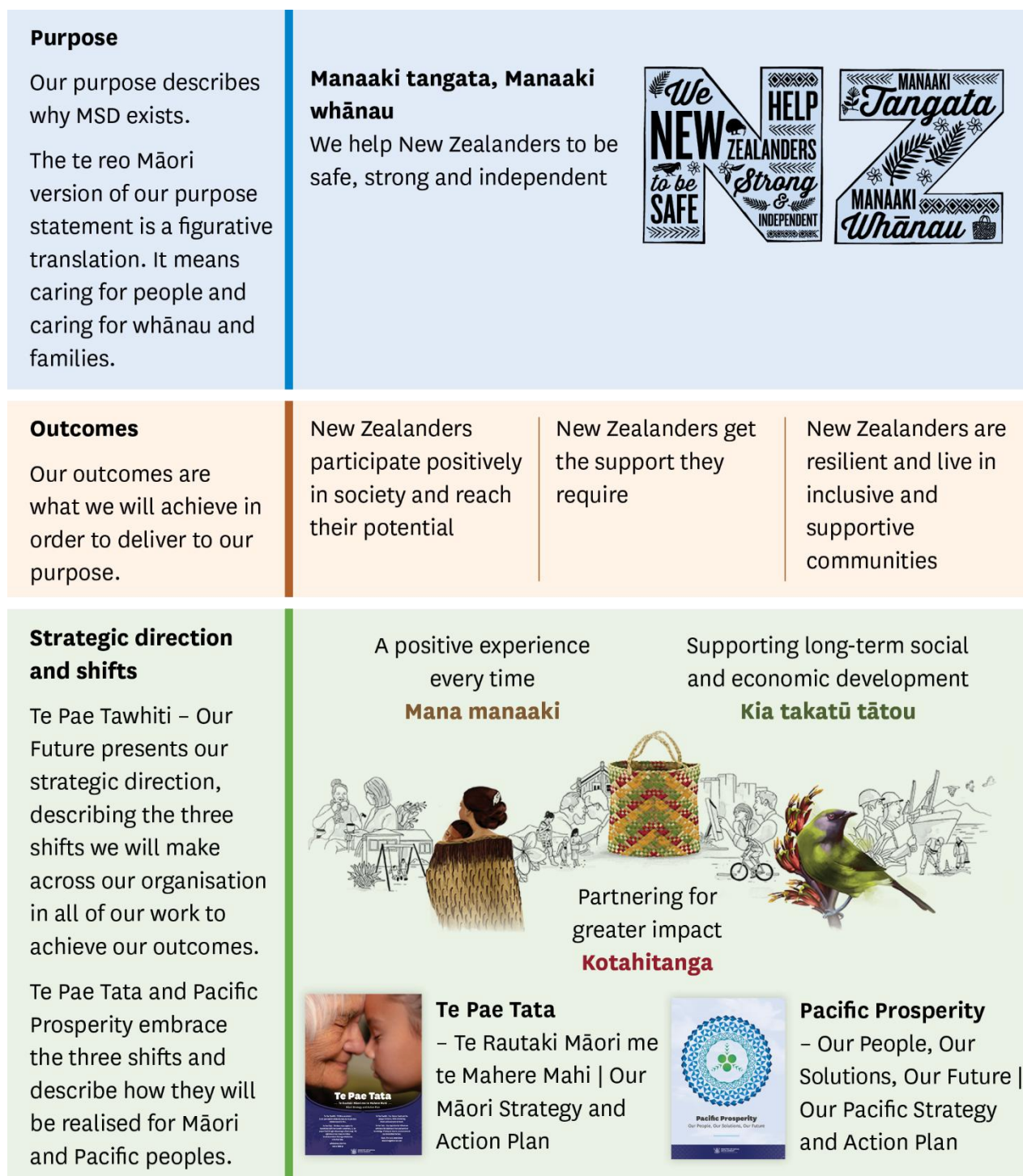
Ngā kokenga o ngā takunetanga ā-rautaki

MSD's Strategic Intentions 2025–2029 came into effect from 1 July 2025. This covers who we are and what we do, what we want to achieve, and what we are doing to get there. Our Strategic Intentions 2025–2029 can be found online:

www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/corporate/statement-of-intent/2025/ministry-of-social-development-strategic-intentions-2025-2029.pdf.

Our purpose, outcomes and strategic shifts present MSD's long-term strategic direction. These are what we want to achieve and are described in Figure 3.

Figure 3: Our strategic framework



Delivering to our strategies

Te Pae Tawhiti – Our Future is MSD’s foundational strategy and outlines what we will do to help New Zealanders to be safe, strong and independent. It describes the three strategic shifts we are making across our organisation in all of our work to achieve our outcomes. The three shifts are:

- **Mana Manaaki – A positive experience every time**
Helping people, whānau, families and communities is at the centre of what we do. We will look after the dignity of people with warmth, listening, respect, compassion, openness and fairness.
- **Kotahitanga – Partnering for greater impact**
We are stronger when we work together with whānau, families, hapū, iwi, providers, employers, communities and other government agencies.
- **Kia takatū tātou – Supporting long-term social and economic development**
We will prepare ourselves for the future and take a long-term approach to community, regional and economic development. To improve employment outcomes, we will support people to acquire skills for current and future job markets.

Te Pae Tawhiti – Our Future is supported by our Māori and Pacific strategies and action plans, Te Pae Tata and Pacific Prosperity. These enabling strategies embrace the three shifts and describe how they will be realised for Māori and Pacific peoples.

During 2025/26, MSD progressed Te Pae Tata and Pacific Prosperity through initiatives that strengthened partnerships with Māori and Pacific communities, supported community-led programmes such as E Tū Whānau and Pasefika Proud, incorporated Māori and Pacific perspectives into strategic decision making, built organisational capability and accountability, and contributed to cross-government priorities. Together, these activities supported progress towards improved employment, housing, and wider social and wellbeing outcomes for Māori and Pacific peoples.

Information about how we are delivering to our outcomes and strategies can be found throughout the Annual Report, including in the following sections:

- our key areas of work on pages 43 to 58
- Treaty settlement commitments on pages 126 to 127
- Māori–Crown relations capability on page 127
- Māori language planning – te reo Māori revitalisation on page 127.

Our outcomes framework

Our Strategic Intentions 2025–2029 includes six focus areas, refreshed impact statements and a new impact statement for the delivery of disability support services. These changes are reflected in our updated outcomes framework (Figure 4).

Our six focus areas identify our medium-term priorities and cover most of what we do:

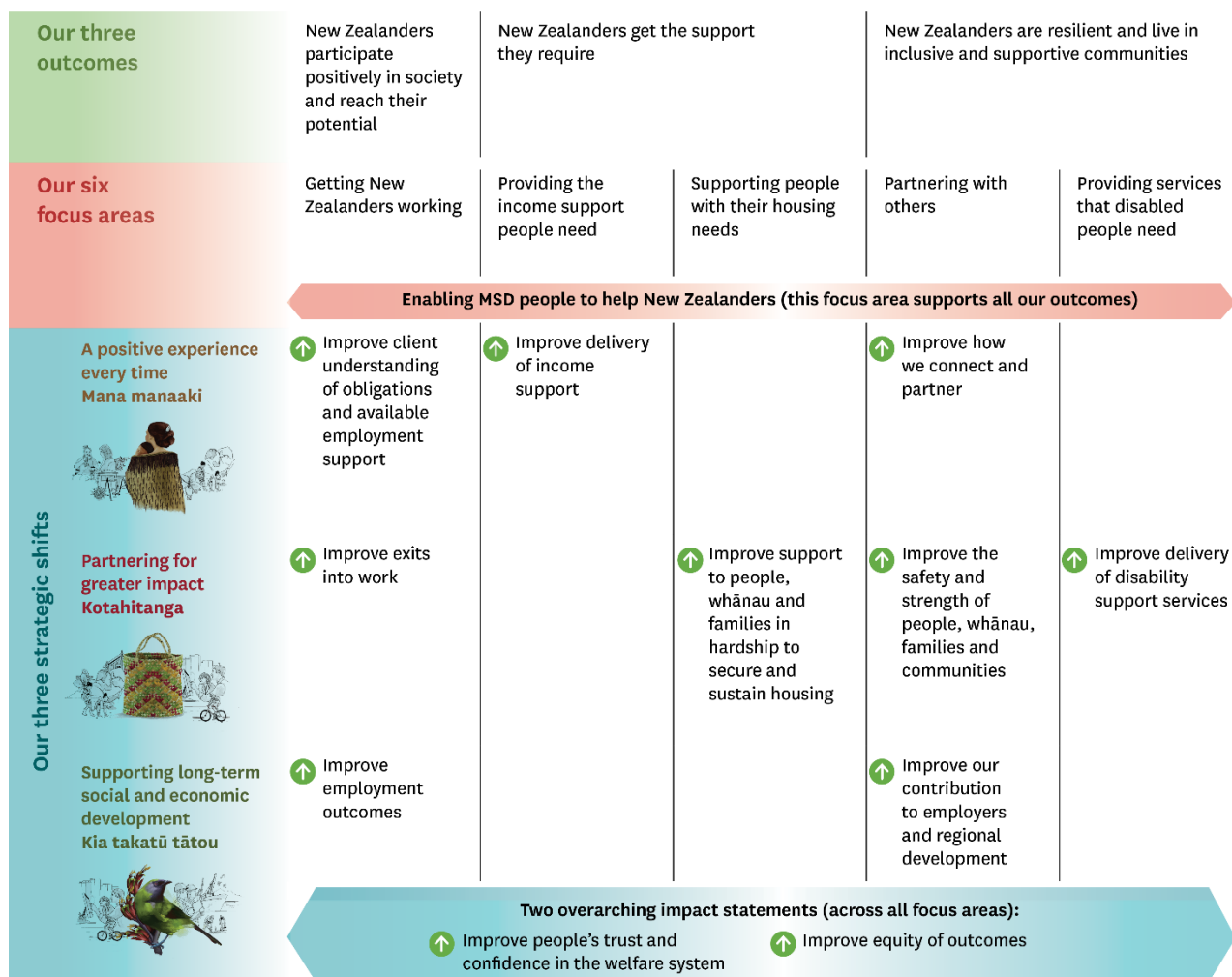
- Getting New Zealanders working
- Providing the income support people need
- Supporting people with their housing needs
- Partnering with others (by commissioning, contracting and funding community services)
- Providing services that disabled people need
- Enabling MSD people to help New Zealanders.

Our outcomes framework shows how we measure progress towards our strategic direction Te Pae Tawhiti – Our Future and how we will deliver to our outcomes, focus areas and strategic shifts.

The visual format of the weave/raranga emphasises that changes to how we are delivering our services (through our three strategic shifts) will have an impact on what we want to achieve (our outcomes and focus areas).

Our 11 impact statements collectively represent how we will assess progress. They unpack our focus areas into more specific medium-term goals.

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



Our performance framework

Our updated performance framework (Figure 5) shows how we measure and report on our performance towards our outcomes. We report on progress using Government Targets, Key Performance Indicators (KPIs) and Estimates performance measures.

Ministers and public service agencies are responsible for the delivery of nine Government Targets by 2030. MSD leads or co-leads the delivery of the following targets:

- **50,000 fewer people on the Jobseeker Support benefit**
- **75 percent fewer households in emergency housing – jointly with HUD (MCERT from 1 July 2026).**

These two targets are most directly reflected in three of our impact statements and five associated KPIs, as shown below in **blue** and **purple**.

A suite of 18 KPIs map to, and demonstrate progress towards, our 11 impact statements. The results of our KPIs are on pages 20 to 28.

Our Estimates performance measures track the delivery of the initiatives and services funded through appropriations against specific annual performance standards. The results of our Estimates performance measures are on pages 64 to 120.

Figure 5 vertically maps from our outcomes and focus areas through to Government Targets, impact statements and associated KPIs, and Estimates performance measures.

Figure 5: MSD's performance framework 2025/26

Our three outcomes	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		
Our six focus areas	Getting New Zealanders working	Providing the income support people need	Supporting people with their housing needs	Partnering with others	Providing services that disabled people need	Enabling MSD people to help New Zealanders (this focus area supports all our outcomes)
Two Government Targets	50,000 fewer people on the Jobseeker Support benefit		75 percent fewer households in emergency housing – jointly with HUD (MCERT from 1 July 2026)			
Impact statements and associated KPIs	Impact statement: Improve client understanding of obligations and available employment support • KPI 1. Client outcome: Awareness of obligations Impact statement: Improve employment outcomes • KPI 2. Client outcome: Staying in work • KPI 3. Future reliance: Estimated average future years on a main benefit • KPI 4. Effectiveness: Employment programmes Impact statement: Improve exits into work • KPI 5. Effectiveness: Benefit exits into work	Impact statement: Improve delivery of income support • KPI 6. Accuracy: Accurate benefit entitlement assessments • KPI 7. Timeliness: End-to-end time to receive a financial benefit • KPI 8. Debt: Average overpayment debt	Impact statement: Improve support to people, whānau and families in hardship to secure and sustain housing • KPI 9. Effectiveness: Housing support resolution • KPI 10. Timeliness: Time taken to be placed on the Public Housing Register (also known as the Social Housing Register)	Impact statement: Improve how we connect and partner • KPI 11. Partner experience: Experience of youth development partners Impact statement: Improve the safety and strength of people, whānau, families and communities • KPI 12. Client experience: Effectiveness of services addressing family violence • KPI 13. Client experience: Effectiveness of services addressing sexual violence Impact statement: Improve our contribution to employers and regional development • KPI 14. Qualitative approach: Examples of MSD's work that show improved contribution to employers and regional development	Impact statement: Improve delivery of disability support services • KPI 15. Qualitative approach: Examples of MSD's work that show improved delivery of disability support services	Impact statement: Improve people's trust and confidence in the welfare system • KPI 16. Client trust: Net trust score • KPI 17. Client experience: Overall service score Impact statement: Improve equity of outcomes • KPI 18. Equity: Cohort data across our KPIs (these two overarching impact statements and three overarching KPIs also apply across our five other focus areas)
Appropriations in Vote Social Development and Vote Disability Support Services (these contain performance measures) While these appropriations are mapped to specific focus areas, they contribute to all our outcomes. Appropriations exempt from performance reporting, and those reported on by Crown entities, are not included.	Multi-Category: Improved Employment and Social Outcomes Support (all except one category) Non-departmental: Driver Licence Support Out of School Care and Recreation Programmes	Multi-Category: Improved Employment and Social Outcomes Support (Administering Income Support category) Departmental: Administration of Service Cards Income Support and Assistance to Seniors Investigation of Overpayments and Fraudulent Payments and Collection of Overpayments Management of Student Loans Management of Student Support Processing of Veteran's Pensions	Multi-Category: Housing Support Assistance Departmental: Services to Support People to Access Accommodation	Multi-Category: Community Support Services Partnering for Youth Development Redress for Abuse in Care Departmental: Enhancement and Promotion of SuperGold Cards Promoting Positive Outcomes for Seniors Non-departmental: Community Participation Services	Multi-Category: Disability Support Services	Departmental: Data, Analytics and Evidence Services Planning, Correspondence and Monitoring Policy Advice Ministry of Social Development – Services for the Future Programme Ministry of Social Development – Capital Expenditure Permanent Legislative Authority

Our Key Performance Indicators

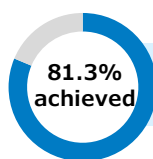
Alongside our Strategic Intentions 2025–2029, we have updated our suite of KPIs from 1 July 2025. This includes a new qualitative approach KPI for the delivery of disability support services. These updated KPIs are reported on in this Annual Report, and can be found online: www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/corporate/statement-of-intent/2025/ministry-of-social-development-key-performance-indicators.pdf.

We use 18 KPIs to collectively monitor progress towards our 11 impact statements:

- Nine impact statements have 16 associated quantitative KPIs.
- Two impact statements are evaluated using qualitative approach KPIs (two KPIs in total). For these, progress is assessed using a qualitative approach to highlight examples of how MSD has:
 - supported and encouraged employers and regional development
 - improved the delivery of disability support services and implemented system improvements.

Our KPIs are aligned with our Strategic Intentions 2025–2029. For each of the 16 quantitative KPIs we have signalled how we are progressing towards our desired direction or standard, which is either:

- a long-term trend (for example, to decrease average overpayment debt), or
- a minimum level of performance (for example, employment programme effectiveness is no less than 90 percent).



13 out of 16 quantitative KPIs on track

In 2025/26, 13 of our 16 quantitative KPIs (81.3 percent) were on track. This compares with 10 out of 15 (66.7 percent) in 2024/25. We also have two qualitative approach KPIs which are not included in this count. Our performance against these KPIs is outlined in the table below.

The on-track indicator compares the 2025/26 result against the desired direction or standard. For assessment against a desired direction (that is, an increase or decrease) the 2025/26 result is compared with the 2024/25 result.

Our KPIs measure progress against our medium-term impacts with performance intended to improve over time. We regularly review our KPIs and desired directions or standards to ensure they align with our strategic direction.

Key Performance Indicators

Status indicators

On track



Off track



KPIs	Direction/ standard	2023/24	2024/25	2025/26	On track
Impact statement: Improve client understanding of obligations and available employment support					
KPI 1. Client outcome: Awareness of obligations (Disclosure 1)	No less than 4.5	All clients: 4.7	All clients: 4.8	All clients: 4.8	
This KPI measures the average score reported by clients receiving a Jobseeker Support benefit on their awareness of their obligations. Responses are collected from Jobseeker Support benefit clients who have interacted with MSD staff in a Service Centre and are measured on a scale of 1 to 5. The standard for this KPI was met. This demonstrates that clients understand their obligations and reflects the work done across 2024 and 2025 to implement the Traffic Light System (see page 45 for more information on the Traffic Light System).					
Impact statement: Improve employment outcomes					
KPI 2. Client outcome: Staying in work (Notes 1 and 2)	No less than 55%	All clients: 62.5%	All clients: 63.4%	All clients: 66.7%	
		Māori: 56.1%	Māori: 55.1%	Māori: 59.2%	
		Pacific: 60.9%	Pacific: 62.0%	Pacific: 64.9%	
This KPI measures the percentage of clients who have exited a main benefit during the calendar year for reason of employment, following an employment intervention, that did not access a main benefit again in the following six months. Over the last three years, results have continued to improve and performance has been regularly above standard. We continue to use employment tools and services to support clients to prepare for, find and stay in work.					
KPI 3. Future reliance: Estimated average future years on a main benefit (Notes 3, 4 and 5)	Decrease	All clients: 13.4	All clients: 14.3	All clients: 15.0	
		Māori: 16	Māori: 16.9	Māori: 17.8	
		Pacific: 14.3	Pacific: 15.4	Pacific: 16.8	
This KPI measures the average number of future years that main benefit clients are estimated to be supported by a main benefit, until age 65. The results are estimated 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 lifetimes. Over the last three years, the average number of future years has increased and performance is not trending in the desired direction. The main contributors to the findings from the model reflecting an increase for 2025/26 were: - Higher rates of people staying on benefits, particularly from Jobseeker Support and Sole Parent Support. - Less favourable economic forecasts, including a slower-than-expected economic recovery. The section ‘Getting New Zealanders working’ on pages 43 to 47 provides more detail on how we are supporting people off benefit and into employment.					

KPIs	Direction/ standard	2023/24	2024/25	2025/26	On track
KPI 4. Effectiveness: Employment programmes (Notes 5 and 6)	No less than 90%	Programmes: 94.4%	Programmes: 94.9%	Programmes: 96.5%	
This KPI measures the percentage of Employment Assistance (EA) programmes rated ‘effective’ or ‘promising’ using MSD’s evaluation model. 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. Over the last three years, the proportion of investment in effective programmes has remained consistent and above standard. Our evaluation model supports our Employment Investment Strategy (EIS) which provides a structured framework for prioritising investment based on government priorities, focusing on where it will have the greatest impact and deliver the best value for money, drawing on evaluation evidence, analytics and operational insights. The EIS draws on this evidence to guide decision making about which clients to allocate to employment support and which programmes to invest in. It supports us to be more targeted and efficient with our investment to help us achieve better outcomes for clients while delivering value for money.					
Impact statement: Improve exits into work					
KPI 5. Effectiveness: Benefit exits into work (Disclosure 2 and Notes 1 and 3)	Increase	All clients: 71,721	All clients: 80,772	All clients: 86,544	
		Māori: 25,272	Māori: 25,821	Māori: 27,492	
		Pacific: 8,826	Pacific: 10,161	Pacific: 11,040	
This KPI measures the number of main benefit cancellations by cancellation reason ‘obtained work’. Over the last three years, the number of people exiting a benefit into work has increased. Despite challenging economic conditions MSD continues to support clients into work. This KPI covers the wider range of ways MSD helps people into work which includes case management, work-readiness interventions, employment programmes and placements, and system settings.					
Impact statement: Improve delivery of income support					
KPI 6. Accuracy: Accurate benefit entitlement assessments (Note 7)	No less than 95%	All clients: 77.6%	All clients: 78.8%	All clients: 86.4%	
		Māori: 74.8%	Māori: 78.9%	Māori: 85.8%	
		Pacific: 74.1%	Pacific: 75.1%	Pacific: 87.1%	
This KPI measures the percentage of working-age benefit entitlement assessments (main and supplementary benefits) completed accurately. Over the last three years, our accuracy results have increased but remain below standard. In 2025/26, our accuracy performance has increased by 7.6 percentage points for all clients, including 6.9 percentage points for Māori and 12.0 percentage points for Pacific peoples, compared with 2024/25. A range of factors have influenced our accuracy performance, including increasing demand for our services, increasing case complexity, and staff having to navigate multiple frontline systems. To address this, MSD has been implementing accuracy improvement plans across our different entitlement assessment services. This includes a strengthened checking framework with a targeted capability-building approach, supported by enhanced training, coaching and tailored support for frontline staff. We are seeing improvements as a result of this work and will continue to work to improve assessment accuracy, so our clients receive accurate entitlements.					

KPIs	Direction/ standard	2023/24	2024/25	2025/26	On track
KPI 7. Timeliness: End-to-end time to receive a financial benefit (Disclosure 3)	No more than 20 working days	All clients: 14.1	All clients: 14.4	All clients: 15.7	✓
		Māori: 12.9	Māori: 13.1	Māori: 14.1	✓
		Pacific: 13.9	Pacific: 13.7	Pacific: 15.2	✓

This KPI 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, which is outside MSD's control, and the time taken by MSD to process the application.

The 2025/26 results are on track, however the average number of working days taken has increased over the last three years. Current economic conditions have seen increased benefit numbers placing pressure on frontline services and resources which impacts our internal processing timeliness (see the section 'Providing the income support people need' on pages 48 to 50 for more detail).

To support clients in providing information, we offer a range of channels for submitting information and regularly assess the usability and functionality of MyMSD to make it easier for clients to inform us of changes.

KPI 8. Debt: Average overpayment debt (Note 8)	Decrease	All clients: \$2,948	All clients: \$3,040	All clients: \$3,109	✗
		Māori: \$3,370	Māori: \$3,497	Māori: \$3,593	✗
		Pacific: \$3,389	Pacific: \$3,461	Pacific: \$3,504	✗

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

Over the last three years, the average overpayment debt per person has continued to increase year on year, but by a small proportion. This is in the context of MSD's overall debt recovery also continuing to increase. The higher debt levels reflect both economic pressures and the expected increase in identification of overpayments as a result of Budget 2025 investment in income charging data-matching activity, to better identify and correct entitlements for those in work.

Challenging economic circumstances impact the ability of those with debt to sustain repayments. MSD is aware of the impacts of overpayment debt on clients' wellbeing and continues work on ensuring that no new debt is created. Where debt exists, MSD is engaging with clients to encourage and support manageable and sustainable repayment arrangements. This is supported by increasing staff capability around debt management conversations and improved self-service options for those people who have exited the benefit system.

Impact statement: Improve support to people, whānau and families in hardship to secure and sustain housing

KPI 9. Effectiveness: Housing support resolution (Disclosure 4 and Notes 9, 10, 11 and 12)	No less than 80%	All clients: 90.3%	All clients: 92.1%	All clients: 93.3%	✓
		Māori: 89.1%	Māori: 90.9%	Māori: 92.6%	✓
		Pacific: 89.6%	Pacific: 92.0%	Pacific: 93.4%	✓

This KPI measures the percentage of all Housing Support Product (HSP) recipients who 90 days later are not on the Housing Register, and have not received an Emergency Housing Grant.

Over the last three years, results have continued to improve and performance has been regularly above standard.

Increasing the scope and adequacy of HSPs has allowed us to continue to support people out of emergency and transitional housing. We have continued to utilise HSPs in conjunction with supporting pathways out of emergency housing and into viable alternatives such as private rentals or social housing.

KPIs	Direction/ standard	2023/24	2024/25	2025/26	On track
KPI 10. Timeliness: Time taken to be placed on the Public Housing Register (also known as the Social Housing Register) (Notes 9, 13 and 14)	No more than 30 working days	All clients: 25 Māori: 27 Pacific: 23	All clients: 17 Māori: 17 Pacific: 20	All clients: 13 Māori: 14 Pacific: 10	  
This KPI measures the average time to have a live application placed on to the Public Housing Register from first requesting assistance with emergency housing. Over the last three years, we have seen continued improvement in our timeliness results. The Priority One category on the Public Housing Register, introduced in April 2024, has meant more families with children have been prioritised to move out of emergency housing and into social housing. We also continue to prioritise timely public housing assessments for people in emergency housing.					
Impact statement: Improve how we connect and partner					
KPI 11. Partner experience: Experience of youth development partners (Disclosure 5 and Note 15)	No less than 80%	Providers: 98.5%	Providers: 95.3%	Partners: 98.2%	
This KPI measures the percentage of youth development partners who reported that partnering with the Ministry of Youth Development (MYD) was a 'good' or 'very good' experience. Over the last three years, results have remained consistent and performance is above standard. Partners reported positive experiences of working with MYD during the delivery of the 2025/26 funding plan and approach. They highlighted: • quality, timely and consistent communication • responsive support and guidance • strengthened collaborative relationships that recognise and respond to partner perspectives.					
Impact statement: Improve the safety and strength of people, whānau, families and communities					
KPI 12. Client experience: Effectiveness of services addressing family violence (Disclosure 6)	No less than 80%	All clients: 95.4%	All clients: 96.2%	All clients: 95.2%	
This KPI measures the percentage of victims/survivors of family violence who reported that they received the support they needed from services funded by MSD. Over the last three years, results have remained consistent and performance has been above the standard. Demand for family violence response services continues to be high. Family violence response services have a flexible model that enables providers to deliver a range of support to people in their communities, including counselling, social work support and Kaupapa Māori programmes. Performance indicates that this approach continues to support the diverse needs of victims/survivors.					
KPI 13. Client experience: Effectiveness of services addressing sexual violence (Disclosure 6)	No less than 80%	All clients: 88.6%	All clients: 86.8%	All clients: 94.2%	
This KPI measures the percentage of victims/survivors of sexual violence who reported receiving the support they needed from services funded by MSD. Over the last year, results have improved by 7.4 percentage points, with performance above the standard for the last three years. Demand for Sexual Harm Crisis Support services continues to be high. Performance indicates that the support provided, including access to a specialist crisis support worker 24/7 and face-to-face or remote crisis counselling, continues to support the diverse needs of victims/survivors.					

KPIs	Direction/ standard	2023/24	2024/25	2025/26	On track
Impact statement: Improve our contribution to employers and regional development					
KPI 14. Qualitative approach: Examples of MSD's work that show improved contribution Progress is assessed using a qualitative approach to highlight examples of how MSD has supported and encouraged employers and regional development. MSD offers a free employment service to employers and clients. We continue to work to understand what employment opportunities are coming and how we strengthen our employer operating model to make the most of those opportunities. Published examples of how MSD has partnered with businesses across New Zealand to help them find the right people for their jobs include: • MSD's Central region built a relationship with a cold storage and delivery company, ManCold. After interviewing 30 people through us the general manager said: "The people we recruited were keen and eager to work. Having access to a large number of people who were already pre-screened and prepared for the type of work we do made life easier for me and the team." ManCold went on to hire more than 10 job seekers. • In March 2026, the Ara Auckland Airport Jobs and Skills Hub (which MSD partners with) celebrated 10 years of training and supporting local people into local jobs in the Auckland Airport precinct. Over those 10 years the Hub has supported over 1,440 people into jobs, and connected many more with training and upskilling opportunities. • Also see the case study on page 47 for a more detailed example.					
Impact statement: Improve delivery of disability support services					
KPI 15. Qualitative approach: Examples of MSD's work that show improved delivery (Disclosure 7) Progress is assessed using a qualitative approach to highlight examples of how MSD has improved the delivery of disability support services and implemented system improvements. For 2025/26, this KPI highlights MSD's work and immediate action to stabilise the disability support system and implement improvements to disability support services. This year MSD: • responded to all recommendations from the 2024 Independent Review. This included: a) implementing a new, nationally consistent assessment process for disabled people. This nationally consistent approach is used by Needs Assessment Service Coordination and Enabling Good Lives sites to support consistency in assessment conversations and the information captured through a new WebApp b) removing the flexible funding purchasing rules, giving people more choice and control over how they use their funding c) developing and implementing a residential care pricing model and panel agreement to replace complex and ad hoc individualised rates • strengthened the commercial management capability. This includes improvements in how we audit, monitor and respond to service quality and safety matters. We have re-engaged Link Consulting to provide an independent review of progress against the 16 recommendations in the original Rapid Assurance Review report • initiated an enhanced audit programme, in response to the Royal Commission of Inquiry into Abuse in State Care. We are working with providers to update systems and improve the management of critical incidents and complaints • continued to deliver DSS services within baseline funding. We will continue to embed new system changes and the recommendations from the two external reports into business as usual. A work programme of continuous improvement to strengthen the disability support system is ongoing.					

KPIs	Direction/ standard	2023/24	2024/25	2025/26	On track
Impact statement: Improve people's trust and confidence in the welfare system					
KPI 16. Client trust: Net trust score (Disclosure 3)	No less than 41	All clients: 46.3	All clients: 48.1	All clients: 48.6	✓
		Māori: 36.4	Māori: 36.8	Māori: 37.5	✗
		Pacific: 47.8	Pacific: 51.4	Pacific: 54.0	✓

This KPI is measured through MSD's Heartbeat survey which is sent to clients following their engagement with MSD (see page 62 for more detail on the survey). This result is measured on a range from -100 to +100, with a score over zero seen as positive.

Over the last three years, we have seen continued improvement in trust ratings across all clients, including Māori and Pacific peoples. The Māori net trust score is below standard, but continues to improve. It is starting from a historically lower baseline.

Recent service experience remains the primary driver of trust outcomes across all client groups.

KPI 17. Client experience: Overall service score (Disclosure 3)	No less than 8	All clients: 8.1	All clients: 8.2	All clients: 8.3	✓
		Māori: 7.9	Māori: 8.1	Māori: 8.1	✓
		Pacific: 8.1	Pacific: 8.3	Pacific: 8.3	✓

This KPI is measured through MSD's Heartbeat survey which is sent to clients following their engagement with MSD (see page 62 for more detail on the survey). This result is measured on a score scale ranging from 0 (not at all positive) to 10 (completely positive).

Over the last three years, results have remained consistent and have regularly been above standard. This reflects stable performance and indicates that most clients are having positive interactions with MSD.

Impact statement: Improve equity of outcomes					
KPI 18. Equity: Cohort data across our KPIs (Māori and Pacific peoples initially)	Increase	Māori: 6/9	Māori: 5/9	Māori: 6/10	✓
		Pacific: 7/9	Pacific: 6/9	Pacific: 7/10	✓

This KPI measures the number of KPIs that are on track for Māori and Pacific peoples, where cohort data is available. We updated our suite of KPIs alongside our Strategic Intentions 2025–2029. This resulted in an additional KPI, with available cohort data, being added increasing the total number of KPIs included in this measure from nine to 10.

The KPI results for Māori and Pacific peoples have improved in 2025/26, following a decline in 2024/25.

In 2025/26, three KPIs (3, 6 and 8) were off track for all clients, including Māori and Pacific peoples. A further KPI (16) was off track for Māori only.

Te Pae Tata and Pacific Prosperity provide strategic direction to ensure our performance measures progress toward improved outcomes for Māori and Pacific people. Collective action across MSD contributes to ongoing progress towards this shared commitment.

Disclosure 1: This new KPI was added through MSD's Strategic Intentions 2025–2029 to reflect Ministerial priorities and Government direction that clients have both rights and responsibilities. Awareness is a key first step in improving compliance and the focus is on clients receiving a Jobseeker Support benefit as this cohort has obligations to prepare for and find work.

Disclosure 2: This new KPI was added through MSD's Strategic Intentions 2025–2029 to align with the Jobseeker Support Government Target. It replaces the previous measure regarding benefit exits following work-readiness intervention.

Disclosure 3: The direction for these KPIs was replaced with standards through MSD's Strategic Intentions 2025–2029 to better align with the performance trend.

Disclosure 4: The wording of this KPI was adjusted for clarity and the standard was increased to better align with the performance trend.

Disclosure 5: Provider and partner experiences with MYD have been combined to better reflect partnering for youth development as part of MSD's strategic shift Kotahitanga – Partnering for greater impact. The methodology of the survey has not materially changed. The 2023/24 and 2024/25 results presented against the measure are for the previous provider measure.

Disclosure 6: The previous measures regarding victims of family violence who reported they are satisfied or very satisfied with the family violence response services, and victims of sexual violence who reported they received the support they needed, when they needed it, were replaced with reframed measures to better align with the primary outcome of the services provided. The methodology has not materially changed.

Disclosure 7: This new KPI was added through MSD's Strategic Intentions 2025–2029 to reflect the transfer of administering the disability support services function from Whaikaha – Ministry of Disabled People to MSD. This KPI highlights MSD's work and immediate action to stabilise the disability support system and implement improvements to disability support services.

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

Note 2: Clients will appear multiple times if they exit a main benefit multiple times and have been assessed for pre-exit activity each time. As the measurement of clients not accessing a main benefit again is taken six months after each exit, those included in this count have exited a main benefit within the calendar year rather than the financial year. This is to show a full financial year result for these measures.

Note 3: KPI 5 Effectiveness measures the number of benefit exits into work by cancellation reason 'obtained work', which has increased. KPI 3 Future reliance considers movements through the benefit system more broadly. While the number of exits into work has increased, the model findings reflect higher rates of people staying on benefits, contributing to the increase in KPI 3 Future reliance.

Note 4: These estimates consider 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 reduce the average estimated future years on a main benefit for Jobseeker Support – Work Ready clients.

Note 5: These results are not official statistics. They have been created for research purposes from the Integrated Data Infrastructure (IDI), which is carefully managed by Stats NZ. 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 6: Employment Assistance programmes aim to help people prepare for, find and stay in work. Effectiveness is measured against up to five outcome domains: net income earned, time in employment, highest qualification gained, time in corrections services, and income support expenditure. An 'effective' rating means that the intervention has significant positive overall impacts on one or more outcomes.

Note 7: 'Benefit' refers to the main and supplementary benefits that MSD provides, such as Jobseeker Support and Accommodation Supplement.

Note 8: Overpayment debt is established when a person has received payments to which they were not entitled. Also, 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 2026, there were 478,662 current and non-current clients with overpayment debt.

Note 9: The Housing Register is a record of New Zealanders who are not currently in social housing and who have been assessed as being eligible.

Note 10: Emergency Housing Grants (previously called Emergency Housing Special Needs Grants) help individuals and families with the cost of staying in short-term accommodation if they are unable to access a contracted transitional housing place.

Note 11: 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 social housing and into alternative housing.

Note 12: To avoid double counting, people who may have gone onto the Housing Register and moved into social housing (or emergency housing) in the 90 calendar days after receipt of an HSP will be counted only as being in social housing or emergency housing.

Note 13: The Public Housing Register (also known as the Social Housing Register) is a record of New Zealanders who are in need of social housing and comprises a Housing Register and a Transfer Register.

Note 14: The Transfer Register is made up of people already in social housing, but who have requested and are eligible for a transfer to another property.

Note 15: Data for this measure is collected through an annual survey of partners. Partners include all MYD-funded providers and all Partnership Fund partners. The ratings are: 'very bad', 'bad', 'neither bad nor good', 'good' or 'very good'.

Assessment of operations

Te aromatawai i ngā whakahaerenga

This section describes how we have worked towards implementing the Government's priorities and provides an assessment of our work during 2025/26, broken down by our six focus areas. Our focus areas map to our three strategic outcomes (see MSD's outcomes framework on pages 16 to 17), which 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.

Some of the figures in this section have been rounded.

New Zealand's changing population and economic conditions are increasing demand on the welfare system

The New Zealand economy has been experiencing a prolonged period of flat activity, with 413,700 people on a main benefit at the end of June 2026 and the unemployment rate reaching 5.6 percent. This has been extended by global uncertainty about fuel supply. In economic downturns demand for assistance rises with housing, Student Allowances and Student Loans, and other costs, not just main benefits. Clients often have multiple needs, and for some groups the complexity of the challenges they face is increasing. Over the five years to June 2030, Jobseeker – Work Ready is expected to decrease, but it is expected that Jobseeker – Health Condition or Disability will increase according to Treasury's Budget 2026 forecasts.

New Zealand Superannuation (NZS) is the single largest driver of MSD's client population and funding. By the end of June 2027, there are expected to be 1.006 million people on NZS at a forecast annual cost of \$26.481 billion (54.7 percent of Vote Social Development). New Zealand's population is ageing and living for longer, which means the costs will continue to grow as more people access NZS and receive it for longer. NZS has increased from 857,500 people and \$17.764 billion four years ago and is forecast to increase to 1.096 million people and \$31.207 billion in four years' time.

Significant work has been undertaken in the Disability Support Services area, including activities to stabilise the disability support system to make the system fairer, more consistent, transparent and sustainable. The Disability Support Services Act 2026 now provides a legal foundation for the system and future improvements. Further work is needed to implement and embed these changes, and to strengthen longer-term demand forecasting.

Other longer-term factors which can pose ongoing social and economic risks for New Zealanders and impact demand for MSD services include growth in the number of people with health conditions and disabilities (including mental health), housing supply and costs, extreme weather events and sudden geopolitical events and external shocks.

Government priorities inform our work

The Government's vision is for a sustainable welfare system that provides a safety net for those in need, while supporting individuals and families into work and lives of greater independence, choice and opportunity.

Employment provides a sense of purpose, independence and connectedness – leading to a better future and helping families break out of the cycle of inter-generational welfare dependence. Children living in households with adults in paid employment are less likely to experience material hardship.

The Government's view is that given the impact on wellbeing for individuals and their families, everyone who can work, should work.

Our focus continues to be on supporting people into work and making sure New Zealanders can access the support they need at the right time. By intervening early, we can provide New Zealanders with the support they need to move towards independence.

Our data and evidence systems

MSD has a well-advanced data analytics programme with depth and breadth in analytical capabilities, methodologies and tools. Our mature approach to data-driven decision making is seen throughout our strategy, policy and investment work, as well as informing day-to-day frontline operations. Our programme draws from a wide range of sources, including research and evaluation, actuarial approaches and modelling, administrative and operational data, and frontline intelligence. We are known as sector leaders in the use of the Integrated Data Infrastructure (IDI), which is managed by Stats NZ.

An example is our Employment Assistance Evidence Catalogue, which has been developed and refined over recent years and includes effectiveness data from 1992. This is a world-leading resource that utilises the IDI and is underpinned by evidence and evaluation. As well as being used by MSD to support employment investment decisions, the data is available publicly to support other decision makers and academic research. This rich body of evidence, along with other data, frontline intelligence and regional labour market analysis, informs our Employment Investment Strategy, which enables us to be targeted and efficient with available funding and improve outcomes for New Zealanders.

You can find our Employment Assistance Evidence Catalogue online:
www.ea.analytics.msd.govt.nz.

You can find our Employment Investment Strategy online:
www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/evaluation/investment-approach/employment-investment-strategy-2025-2028.pdf.

Key stats for 2025/26

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



At the end of June 2026

1,464,500

New Zealanders were receiving income support, including:



974,000

receiving New Zealand Superannuation, and



413,700

receiving a main benefit



In 2025/26

86,500

people exited a main benefit into work



In 2025/26, MSD answered

4,347,800

calls



In 2025/26, MSD processed

292,200

Student Loan and Student Allowance applications



In 2025/26, MSD funded community support services accessed by

101,600

people



In 2025/26, MSD funded disability support services accessed by

56,888

people



As at the end of June 2026

218,500

people were receiving Jobseeker Support



As at the end of June 2026

459

households were in emergency housing

Implementing the Government's priorities

Government Targets

Ministers and public service agencies are responsible for the delivery of nine Government Targets by 2030. MSD is the:

- lead agency for Target 5: 'Fewer people on the Jobseeker Support benefit'
- co-lead agency for Target 8: 'Fewer people in emergency housing', alongside HUD (MCERT from 1 July 2026).

MSD's work also supports Target 3: 'Reduced child and youth offending' and Target 4: 'Reduced violent crime'. The section 'Partnering with others' on pages 53 to 54 outlines the work we do to contribute to these targets.

More information on the Government Targets can be found online:
www.dpmc.govt.nz/our-programmes/government-targets.

Fewer people on the Jobseeker Support benefit

This Government Target is not yet on track to be met. However, the growth in Jobseeker Support (JS) is slowing. The primary trend in benefit numbers is that the number of people receiving JS has been increasing since May 2023, mainly driven by weak economic conditions, which make it harder for people to find and retain work. Although there are more people on the Jobseeker Support benefit, the number of people exiting the Jobseeker benefit into work has increased since last year.

In economic downturns or shocks, MSD generally observes that as numbers of Jobseeker Support – Work Ready (JS – WR) beneficiaries increase, those who do not get back into work begin to place additional pressure on gateways into sickness and disability benefits. This includes moving from JS – WR into Jobseeker – Health Condition or Disability (JS – HCD) or Supported Living Payment (SLP), and moving from JS – HCD into SLP.

Annual growth in JS has slowed compared with last year, with an increase of 2,500 in the year to June 2026, compared with 19,600 in the year to June 2025. JS – WR decreased by 500 in the year to June 2026. JS – HCD increased by 3,000 in the year to June 2026. The Budget Economic and Fiscal Update (BEFU) released in May 2026 shows the number of people on JS is forecast to remain around current levels throughout 2026.

We have implemented a range of initiatives to support New Zealanders into employment. The section 'Getting New Zealanders working' on pages 43 to 47 outlines more detail on our work towards achieving this target.

Target (by 2030)	Baseline (end of December 2023)	As at end of June 2025	As at end of June 2026	Progress from baseline
140,000 people on the Jobseeker Support benefit	190,000	216,000	218,500 BEFU forecast for June 2026: 216,600	+28,500 ✗

Fewer people in emergency housing

This Government Target was met in December 2024 and our focus remains on maintaining the reduction. This has been supported by a range of initiatives progressed by MSD and HUD (MCERT from 1 July 2026). MSD has continued to focus on providing appropriate supports to ensure exits into stable housing. This has involved:

- securing continued funding for MSD's emergency housing support services for a further year through Budget 2026
- continuing the Priority One fast track to move families from emergency housing into social housing
- publishing the final evaluation report of emergency housing support services, which found them to be effective and valued.

The section 'Supporting people with their housing needs' on pages 51 to 52 outlines more detail on our work towards achieving this target.

The end of June 2026 result is for the number of households receiving Emergency Housing Grants from MSD. Previous results also included the number of households receiving Contracted Emergency Housing administered by HUD (MCERT from 1 July 2026), but this concluded in December 2025.

Target (by 2030)	Baseline (end of December 2023)	As at end of June 2025	As at end of June 2026	Progress from baseline
75% fewer households in emergency housing	3,141	501 For MSD's component as at end of June 2025: 459	459 BEFU forecast for June 2026: 490	-2,682 

Other Government and ministerial priorities

Child wellbeing and poverty reduction

MSD led the all-of-government response to the Dame Karen Poutasi Review of the children's system. In September 2025, the Government accepted all 14 of the recommendations for improving the children's system and committed to an approach focused on the safety of children. In January 2026, the Minister for Child Poverty Reduction announced the creation of a new inter-agency hub to better support children whose sole parents have been remanded in custody or sentenced to a term of imprisonment, and the testing phase of mandatory child protection training for core children's workers.

Budget 2026 allocated \$90.3 million to support the further delivery and implementation of the Poutasi recommendations, including to support a sequenced rollout of mandatory training for 20,000 children's workers over two years. More information on this Budget 2026 initiative is on page 42.

The second Annual Report on the Child and Youth Strategy 2024–2027 was released in April 2026, covering 2024/25, and can be found online: www.msd.govt.nz/about-msd-and-our-work/child-wellbeing-and-poverty-reduction/reporting.html.

The data shows that, compared with 2023/24, rates of school attendance, child and youth offending and food insecurity have improved. However, the number of children in benefit-dependent households has increased.

MSD has continued to provide advice to the Minister for Child Poverty Reduction on making progress towards the third intermediate child poverty reduction targets. Rates trended upwards between 2021/22 and 2024/25, reflecting economic factors, including the increase in the cost of living over the period. The Government is focused on addressing the long-term drivers of material hardship, including by supporting parents into work. The Budget 2026 initiative Employment Support for Sole Parents is expected to reduce the number of children in benefit-dependent households. Budget 2026 also provided ongoing funding for community providers to source and distribute food through food hubs and food banks, and ongoing funding for the KickStart Breakfast programme, which are expected to help children in poverty.

We have supported the Crown Response to Abuse in Care

MSD has continued to support the delivery of the Crown Response Plan, leading and contributing to both agency-specific and cross-government projects across this plan's three objectives:

Objective One – Addressing the wrongs of the past

In 2025/26, MSD contributed to cross-agency work to improve redress for survivors of abuse and neglect in state care, including:

- increasing payment levels and providing top-up payments
- continuing to scale up the number of claims processed per year
- supporting the development and delivery of a Common Payment Framework, common policies to ensure consistency across agencies, and working towards consistent support offerings for claimants

- developing an MSD-hosted single point of entry for state redress claims to provide survivors with one place to go, one conversation to start with, and support from the outset, rather than needing to navigate multiple agencies or repeat their story.

The number of eligible claims registered in 2025/26 increased by almost 65 percent. Despite this large growth in demand, we have met our performance targets related to processing claims.

Objective Two – Make the current care system safe

MSD led policy work on legislative changes to strengthen the oversight of the Oranga Tamariki system. These changes made the Independent Children's Monitor an independent Crown Entity and restored a single Children's Commissioner as a more visible advocate for children and young people.

Disability Support Services (DSS) progressed work to strengthen processes for recognising and responding to abuse and neglect in care, including implementing the Enhanced Audit programme.

MSD has continued to contribute to Crown Response Office (CRO)-led cross-system policy work on care safety and building a safe and capable workforce, including leading the workforce capability workstream under this project.

Te Kāhui Kāhu published updated Social Sector Accreditation guidance in February 2026, which strengthened or aligned requirements for providers with the Inquiry's care safety recommendations.

Objective Three – Empower those in care, their families, whānau and communities

DSS has progressed several initiatives under this objective, including:

- updating flexible funding settings and guidance to give disabled people more choice and control over how they use their allocated budgets
- improving processes for the management of complaints and critical incidents
- progressing implementation of a Quality Management System
- developing guidance and supporting DSS providers to better understand their responsibilities for care records management aligned with a new records management framework developed by Archives New Zealand.

Baseline savings

All departments are required to set out the amounts of baseline savings and how they achieved these savings, including contractor and consultant savings.

Reduction in departmental, non-departmental and Benefits or Related Expenses (BoRE)

MSD's departmental baseline was reduced by \$60.298 million in 2025/26 as a result of Budget 2024 baseline savings. We achieved this reduction through the following savings initiatives:

- COVID-19 Response and Recovery Fund Reduction (\$20.000 million)
- Workforce Reduction (\$16.943 million)
- Contractors and Consultants (\$15.650 million)
- Operating Funding Reduction (\$6.070 million)
- Minimum Wage Exemption – Discontinuation of Wage Supplement (\$1.354 million) – as outlined below, this initiative also contains non-departmental savings
- Several Time-Limited Initiatives (\$0.281 million) – as outlined below, these initiatives also contain non-departmental savings.

For non-departmental expenditure, \$13.330 million of savings were made in the 2025/26 year from the following Budget 2024 baseline savings initiatives:

- Minimum Wage Exemption – Discontinuation of Wage Supplement (\$12.043 million)
- Community Innovation Fund (\$1.000 million)
- Several Time-Limited Initiatives (\$0.234 million)
- Crown-Funded Costs – Social Workers Registration Board (\$0.053 million).

Baseline savings in Budget 2024 also included the following initiatives which forecast BoRE savings in 2025/26:

- Housing Supports – Including Boarders' Contributions in the Calculation of Subsidies for Private and Social Housing, which forecast \$14.962 million in BoRE savings for 2025/26
- Emergency Housing – Tightening Gateway Settings and Continuing Support Services, which forecast BoRE savings for 2025/26 through both Budget 2024 (\$95.440 million) and 2025 (\$195.499 million). The Government Target for Emergency Housing has been met with more information on page 33.

Reduction in expenditure on contractors and consultants

MSD has maintained the significant reduction in contractor and consultant expenditure as a result of the Budget 2024 baseline savings, with \$33.834 million in this expenditure in 2025/26 compared with \$92.667 million in 2023/24. There was a small increase between 2024/25 and 2025/26 of \$175,000.

MSD's savings target of \$15.650 million as set out in Budget 2024 was achieved and returned. The remaining reduction from the 2023/24 base of \$92.667 million reflects the conclusion of time-limited funding and reprioritisation to support workforce capability and cost pressures.

Major spending decisions

Cabinet has established an enduring system for monitoring and reporting on major operating spending decisions of government, which are subject to additional reporting requirements. More information on MSD's major spending decisions can be found online: www.msd.govt.nz/about-msd-and-our-work/publications-resources/monitoring/major-spending-decisions/index.html.

Budget 2024

The major spending decision from Budget 2024 for MSD was the Apprenticeship Boost Continuation, a multi-agency collaboration. The Ministry of Education is responsible for the initiative's policy, the Tertiary Education Commission checks eligibility, and MSD manages applications and payments.

Allocated funding

	2025/26 (\$m)	2026/27 (\$m)	2027/28 (\$m)	2028/29 & outyears (\$m)
Total funding	25.623	28.623	28.623	28.623

Actual costs and savings

MSD's forecast expenditure from Budget 2024 for Apprenticeship Boost was \$28.623 million for 2025/26, which was reduced through Budget 2026 to \$25.623 million. Actual spending for 2025/26 was \$23.177 million. The reason for this variance is mainly due to a lower-than-expected uptake of the scheme.

Information on the deliverables and results of this initiative can be found in the Ministry of Education's Annual Report 2026.

For MSD's role in administering the scheme, performance measurement relating to the accuracy of processing Apprenticeship Boost payments is outlined on page 102.

Budget 2025

The major spending decision from Budget 2025 for MSD is the Employment Services – Investing in Frontline Staff and Employment Programmes. This initiative enables MSD to maintain critical employment spending for 2025/26 and 2026/27, to help get more people into work and make progress towards the Jobseeker Support reduction Government Target.

Allocated funding

	2025/26 (\$m)	2026/27 (\$m)	2027/28 (\$m)	2028/29 & outyears (\$m)	Total (\$m)
Vote Social Development Operating Expenditure					
Costs	148.271	177.629	17.400	-	343.300
Gross savings	(35.964)	(126.465)	(174.880)	(153.246)	(490.555)
Total net	112.307	51.164	(157.480)	(153.246)	(147.255)
Vote Social Development Capital Expenditure					
Total	2.104	0.406	-	-	2.510

Actual costs and savings

For 2025/26, the actual costs of this initiative were \$140.817 million. Actual savings for 2025/26 will be measured as part of MSD's planned evaluation. MSD is regularly monitoring implementation progress and will report on outcomes and savings as data becomes available. Evaluation results for most initiatives will be available from early 2027, with savings tracked for all initiatives from late 2027.

Performance indicators

In addition to the planned evaluation, we monitor progress against the following performance indicators:

Performance Indicators	2025/26 result
Initiative savings	Not yet available
Total number of clients receiving employment-focused case management	65,382 as at the end of June 2026
Number of clients receiving employment-focused case management funded through this Budget 2025 initiative (Note 1)	48,137 as at the end of June 2026
Number of clients enrolling in the Community Job Coaching programme	3,748 during 2025/26
Number of clients participating in Flexi-wage programmes (Note 2)	5,982 during 2025/26
Number of clients participating in the Skills for Industry programme (Note 2)	1,462 during 2025/26
Number of clients participating in regional employment placement programmes (Note 2)	1,026 during 2025/26

Note 1: This figure takes the proportion of case managers funded through this Budget 2025 initiative in relation to total employment-focused case managers, and applies the same proportion to the number of clients receiving employment-focused case management.

Note 2: These figures take the proportion of actual spending in 2025/26 that was funded through this Budget 2025 initiative, and applies the same proportion to the number of clients participating in the programme.

Other significant Budget decisions

Agencies are encouraged to outline significant Budget decisions from Budget 2024, Budget 2025 and Budget 2026 in addition to any Major Spending Decisions they are required to report on.

We consider the Budget decisions outlined below to be 'significant' as they are important to the delivery of the Government's priorities, important to Parliament and the public, and material decisions for our department.

Given the size and number of MSD appropriations, we have used the following criteria to determine the scope of significant Budget decisions:

1. The initiative contains Budget funding of at least \$100 million over the forecast period, or \$25 million in any given financial year, in Vote Social Development or Vote Disability Support Services; and/or
2. The initiative is a significant government priority (such as a manifesto commitment).

Budget 2024

Disability Support Services

Budget 2024 funding for 2025/26: \$230.308 million

Budget 2024 total funding over forecast period: \$1,099.900 million

This initiative provided funding to Whaikaha – Ministry of Disabled People for the continued delivery of support to disabled people and their families. Responsibility for the funding was transferred to MSD on 1 December 2024 when DSS moved from Whaikaha. The funding is to help meet increases in volume and inflationary pressures on the delivery of disability support services.

The section 'Providing services that disabled people need' on pages 55 to 56 provides more information on DSS's work in 2025/26. See pages 113 to 120 for MSD's performance information relating to this initiative.

Historical Claims of Abuse in Care

Budget 2024 funding for 2025/26: \$49.036 million

Budget 2024 total funding over forecast period: \$81.869 million

This initiative provided two-year funding for 2024/25 and 2025/26 to continue resolving claims of historic abuse for people in the care of Child, Youth and Family (or its predecessors), without requiring civil litigation.

The section 'We have supported the Crown Response to Abuse in Care' on pages 34 to 35 provides more information on MSD's work in 2025/26. See pages 110 to 112 for MSD's performance information relating to this initiative.

Further information on Budget 2024 initiatives can be found online in the Budget 2024 Summary of Initiatives: www.treasury.govt.nz/sites/default/files/2024-06/b24-sum-initiatives.pdf.

Budget 2025

Ministry of Social Development – services for the future programme

Budget 2025 funding for 2025/26: \$67.590 million

Budget 2026 total funding drawn down from tagged contingency over forecast period: \$844.612 million in expenditure for the programme and \$73.112 million in forecast savings

The remainder of the funding is held in contingency and figures are withheld because of commercial sensitivities

This initiative provides funding for MSD's business transformation programme. The programme will change the way MSD operates, modernise its technology and business processes to support new and more efficient ways of working, and reduce costs and risk.

The section 'Enabling MSD people to help New Zealanders' on pages 57 to 58 provides more information on MSD's work on our transformation programme in 2025/26. See pages 87 to 88 for MSD's performance information relating to this initiative.

Addressing the Wrongs of the Past – Redress System Changes and Provision of Redress for Abuse in Care

Budget 2025 total funding over forecast period: \$384.632 million for Vote Social Development component of initiative

This cross-agency initiative provides funding to enable the Government's delivery of redress for abuse in state care following the Royal Commission of Inquiry into Abuse in Care. This includes a package of \$503.2 million across multiple agencies.

The section 'We have supported the Crown Response to Abuse in Care' on pages 34 to 35 provides more information on MSD's work in 2025/26. See pages 110 to 112 for MSD's performance information relating to this initiative.

Disability Support Services – Supporting Disabled People

Budget 2025 total funding over forecast period: \$760.000 million

This initiative provides funding to meet the continued delivery of support to disabled people and their families. The funding is to help meet demand and inflationary pressures on the services that DSS delivers.

The section 'Providing services that disabled people need' on pages 55 to 56 provides more information on DSS's work in 2025/26. See pages 113 to 120 for MSD's performance information relating to this initiative.

Disability Support Services – Adjustment to Residential Care Funding

Budget 2025 total funding over forecast period: \$240.000 million

This initiative increases funding to providers of residential care in community group homes, and supports service continuity for disabled people with specialist support needs living in aged residential care settings.

The section 'Providing services that disabled people need' on pages 55 to 56 provides more information on DSS's work in 2025/26. See pages 113 to 120 for MSD's performance information relating to this initiative.

Further information on Budget 2025 initiatives can be found online in the Budget 2025 Summary of Initiatives: www.treasury.govt.nz/sites/default/files/2025-05/b25-sum-initiatives.pdf.

Budget 2026

For these initiatives, performance and/or progress information will be reported in future Annual Reports.

Employment Supports for Sole Parents

Budget 2026 total funding over forecast period: \$93.308 million. This invest-to-save initiative is expected to deliver total savings of \$190.528 million over four years (meaning the initiative has net savings of \$97.220 million)

This invest-to-save initiative provides two-year funding for 2026/27 and 2027/28 to support sole parents into sustainable employment and improve long-term wellbeing outcomes, and will also achieve net savings. It will focus on:

- increasing access to employment case management
- expanding employment assistance and placement opportunities
- reducing barriers to work through flexible, tailored support.

Funding will support additional frontline employment case management capacity to provide targeted work-focused support and improve employment outcomes for 25,000 sole parents.

The investment will also expand access to employment assistance, including increased Flexi-Wage funding, and training and placement programmes, and a flexible fund. Together, these initiatives will enable MSD to address practical barriers to work, provide tailored support, and connect sole parents with suitable job opportunities. Sole parents will benefit from targeted employment programmes to help them move into and stay in sustainable employment.

Accommodation Supplement – Increasing the Maximum Rates

Budget 2026 total funding over forecast period: \$374.347 million

This initiative provides funding to increase the maximum rates (maxima) for the Accommodation Supplement in all areas by between \$10 and \$30 per week from 1 April 2027. This increase in support helps to lift the incomes of low-income households in the private accommodation market, and it also improves equity and incentives across housing subsidies.

This initiative is part of an integrated package of housing initiatives, alongside the following savings initiatives:

- Temporary Additional Support – Change to the Maximum Rate for Temporary Additional Support and Removing Formula-assessed Child Support Liability as an Allowable Cost
- Income-related Rent – Increasing the Minimum Income-related Rent for Social Housing tenants
- Emergency and Transitional Housing – Increasing the client contribution.

Savings from the Income-related Rent initiative have been reinvested to fund this initiative.

Dame Karen Poutasi Response – Strengthening the Safety Nets to Identify and Respond to Children at Risk of Harm

Budget 2026 total operating funding over forecast period: \$90.312 million (across multiple Votes and agencies)

This initiative provides funding to support the delivery and implementation of recommendations made in the Dame Karen Poutasi review to improve the system of safety nets for preventing harm in the children's system.

This Budget 2026 initiative will:

- support a sequenced rollout of mandatory training for 20,000 core children's workers over two years to increase the capability of children's workers to identify and respond to children at risk of harm
- ensure the child protection system has the capacity to respond safely and effectively to expected higher volumes of reports of concern arising from both training and the recently established multi-agency hub, and
- support Health NZ to increase participation in the Child Protection Protocol, working alongside NZ Police and Oranga Tamariki to assess and respond to the most serious cases of abuse.

Funding has also been set aside in contingency to support core children's workers to attend training and respond to increased reports of concern for Oranga Tamariki in the future.

The total operating funding is \$90.312 million over the forecast period, which includes some funding set aside in contingency, and is spread across Vote Education, Vote Oranga Tamariki and Vote Health. This funding is offset by \$13.178 million in total, which is a combination of previous tagged contingency funding and reprioritisation from Vote Social Development.

SuperGold Card – Official Form of Identification

Budget 2026 total operating funding over forecast period: \$36.413 million

This initiative introduces a version of the SuperGold Card that can be used as official ID, meeting a need for older people who have difficulty accessing supports that require photo identification, such as banking services. Rollout of the upgraded card is expected from October 2028. This initiative is led by the Minister for Seniors.

Further information on Budget 2026 initiatives can be found online in the Budget 2026 Summary of Initiatives: www.treasury.govt.nz/publications/summary-initiatives/summary-initiatives-budget-2026.

Assessment of our work in 2025/26

Getting New Zealanders working

Measuring our performance

On pages 18 to 19, we outline our performance framework. This details which KPIs and Estimates appropriations with performance measures relate to this focus area.

For more information on how we are performing, see pages 20 to 28 for our KPI results and pages 64 to 120 for our Estimates performance measure results.

The Government's Jobseeker Support reduction target is not yet on track to be met

Economic conditions drive changes in the number of people on Jobseeker Support – Work Ready (JS – WR). Stats NZ data shows early signs of improved labour demand, as the number of filled jobs increased over the year to June 2026. However, elevated fuel prices resulting from the recent conflict in the Middle East present a risk to improving economic activity and labour demand. The duration and magnitude of impacts from the conflict on the domestic economy are highly uncertain.

Strong and sustained economic growth is required to reach the Jobseeker Support Government target. From 2027, the number of people on Jobseeker Support is expected to fall, and from mid-2028 it is expected to flatten but remain relatively high compared with pre-COVID-19, as the decreases are expected to slow over time.

Although there are more people on the Jobseeker Support benefit, the number of people exiting the Jobseeker Support benefit into work has increased since last year. Employment sustainability has also strengthened, with more people remaining off a main benefit six months after exit following an employment intervention through MSD.

We are focused on improving the employment outcomes of our clients

MSD is the lead agency for providing public employment services to New Zealanders, supporting people to obtain and maintain employment.

Despite the increasing number of people needing support, which is creating higher demand pressures for our services, we have continued to increase engagement with clients through employment-focused initiatives and case management services, including one-to-many seminars and job expos. We have also enhanced our digital services to support more clients into employment opportunities (see 'Enabling MSD people to help New Zealanders' section on pages 57 to 58 for more detail on our transformation programme, MSD – services for the future).

We have strengthened our engagements with employers and large-scale businesses to increase the employment opportunities that are available for job seekers through initiatives such as:

- implementing an employer relationship framework as part of improving our employer operating model to provide a structured approach for managing relationships, so we are in a better position to support clients into employment in preparation for a growing labour market. An example of this is our relationship with Ventia New Zealand

- delivering an employer engagement campaign, contacting more than 2,300 employers who had employees nearing the end of their Accredited Employer Work Visa (AEWV), to support local job seekers into upcoming vacancies
- establishing relationships with more government agencies (such as with Inland Revenue, Corrections and the Electoral Commission) to support their recruitment, creating an entry pathway for job seekers into government employment opportunities
- participating in the Regional Infrastructure Fund process, which is the Government's commitment to investing in and improving New Zealand's regional infrastructure, with a focus on how proposals may benefit MSD clients
- continuing to work closely with employers and people facing redundancy through our Early Response Redeployment support to enable employers to redeploy and/or retrain their employees, or to support workers to transition to a new job or training opportunities. During 2025/26, we were involved in supporting a number of high-profile business closures, including for Carter Holt Harvey, Sealord and EB Games
- facilitating over 40 employer engagement events with ChamberWorks, reaching out to more than 3,000 businesses and business leaders. In its first nine months, ChamberWorks generated more than 80 employment positions, with over 20 MSD clients securing employment.

To support people into employment, we have invested in the supports that we know work

MSD's Employment Investment Strategy guides our decision making about which clients to allocate to employment support and which programmes to invest in based on people's employment support needs, evidence of what works best for them and value for money. We are implementing the strategy in a phased approach over a three-year period:

- Phase 1 implementation began in July 2025 and focused on immediate opportunities to increase the impact of employment case management
- Phase 2 will continue to improve the effectiveness of employment case management and explore ways to improve the effectiveness of other employment interventions.

Through Budget 2025, the Employment Services – Investing in Frontline Staff and Employment Programmes initiative has allowed us to continue delivering employment case management to around 70,000 clients, including 10,000 in phone-based case management, with over 700,000 people attending a proactive appointment or Kōrero Mahi seminar (see 'Major spending decisions' section on pages 37 to 38 for more detail, including performance indicators for the initiative).

From December 2025, we started working with an additional 4,000 JS – HCD clients through our one-to-one employment case management service, with the aim of supporting them through a graduated return to work approach.

We have taken a more targeted approach at supporting young people by aiming to have all youth receiving a JS – WR benefit in either employment case management or a contracted employment service. Phase Two of our Community Job Coaching programme went live, which resulted in over 3,700 young people enrolled in a dedicated coaching programme.

We also supported over 3,600 young people through our He Poutama Rangatahi programme, providing support through community-based providers for young people who are not in education or employment, and employment outcomes increased by over 25 percent compared with the year before.

We supported more job seekers into employment through our investment in effective interventions such as Flexi-wage and Mana in Mahi wage subsidies. This created over 7,000 opportunities for job seekers who don't have the necessary skills and experience to enter the workforce, and included supporting employers to hire local job seekers within our communities.

We have also been supporting people to prepare for work through our work-readiness programmes, so that when jobs become available they are ready.

Through Budget 2026, there are further supports coming through the Employment Supports for Sole Parents initiative, which delivers funding from July 2026 to June 2028 and provides additional case management capacity for 25,000 sole parents to receive employment support. It also provides additional funding for employment programmes, and a flexible fund (see page 41 for more detail on this initiative).

We are facilitating the Government's plan to support more people off benefit and into work

The Traffic Light System evaluation found that it has helped clients understand and stay on track with their obligations and re-comply faster

The Traffic Light System (TLS) was introduced in phases across 2024 and 2025 as part of efforts to support more people into employment. It uses colour-coded indicators to clearly communicate whether clients are meeting their work-related and social obligations. It introduced a range of measures to strengthen compliance, including non-financial sanctions, longer recording periods for obligation failures.

An evaluation of the first two phases of the TLS was carried out to understand its impact on outcomes for JS – WR clients. It found that the TLS helped clients to better understand and stay on track with their obligations, and showed improved re-compliance, engagement with MSD and work readiness.

Since the TLS was introduced, analysis shows that service centres where obligation failure rates increased the most also had a statistically significant correlation with higher exit rates off benefit. The TLS is operating as intended and some challenges navigating the obligation and sanction process remain. MSD has made some enhancements to address this, such as improvements to the notice of sanction letter. The evaluation can be found online: www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/evaluation/traffic-light-system/tls-evaluation-report-publication.pdf.

The third and final phase of the TLS was implemented on 20 October 2025, introducing two further non-financial sanctions:

- **Report Job Search:** Clients are required to report to MSD on a minimum of three job search activities every week for four weeks
- **Upskilling:** Clients are required to attend a minimum of five hours of employment-related training or courses every week for four weeks, and to report to MSD weekly on their participation.

These additional non-financial sanctions are intended to provide more alternatives to financial sanctions for some clients who fail an obligation for the first time.

As at the end of June 2026, the TLS showed 98.5 percent of clients were meeting their obligations (green status). The proportions have remained largely consistent since the introduction of the TLS.

26-week reapplications were introduced on 1 July 2025

On 1 July 2025, the 26-week reapplication requirement was introduced for all Jobseeker Support clients and any partners included in their benefit. This new requirement meant that all Jobseeker Support clients, who previously had their benefit expire every 52 weeks, became subject to a 26-week benefit expiry and more frequent benefit reapplications from 1 July 2025 onwards.

So far, the pattern of exits and returns overall has been similar to that observed under the 52-week process. However, as expected, the number of exits and returns has been higher under the 26-week process because reapplications occurred more frequently.

Case study – Employment

MSD partners with businesses across New Zealand to help them find the right people for their jobs. The free recruitment service we offer includes:

- searching for candidates
- shortlisting
- arranging interviews
- connecting businesses and candidates with information and services.

MSD is committed to supporting clients into work. In 2025/26, 21,460 job seekers were placed into employment through vacancies listed with MSD. This is an increase compared with 16,973 in 2024/25 and 15,252 in 2023/24. This increase is due to our continued focus on strengthening and expanding relationships with employers to support more people into work.

An example of a regional business that we have supported through this service is Freshco Nelson Limited – a joint venture by apple growers in Nelson and exporter Freshco NZ.

As the venture is run and partially owned by locals, there's a strong focus on hiring local people for seasonal work. MSD has been working closely with the company for over 12 years to help connect them with the right people for seasonal roles in the packhouse.

In that time, MSD work broker, Lana, has worked closely with the company and the Nelson Operations Manager, Garry Ashby, to understand their recruitment needs.

Thanks to Lana's ongoing work to find strong candidates, Freshco in Nelson has hired exclusively through MSD for about six years. Lana played a big role in supporting 80 people into full-time seasonal roles in Freshco's most recent packing season, which kicked off in February 2026.

She helped the successful candidates access MSD support to meet initial and ongoing employment-related costs, including transport to and from work and the purchase of appropriate work gear. MSD also provides ongoing in-work support to help candidates succeed in their roles and connect them with further employment opportunities at the end of the season.

For Garry, recruiting locally is about more than just meeting seasonal demand. "We are proud to be a part of our community," he says. "We understand the importance of these roles to local people and our local economy. Not only do we get a great service from MSD, but we also get to support our community in the process."

MSD Regional Commissioner, Craig Churchill, agrees seasonal employment in the Nelson region is crucial to the community's economy, with many going on to secure permanent roles following a stint of seasonal work.

"This is particularly important for our region, which was severely impacted by business closures in key industries last year. We will continue to build strong relationships with employers that give more local people a chance to work and stay connected to the communities where they live across our Nelson and Tasman region."

Providing the income support people need

Measuring our performance

On pages 18 to 19, we outline our performance framework. This details which KPIs and Estimates appropriations with performance measures relate to this focus area.

For more information on how we are performing, see pages 20 to 28 for our KPI results and pages 64 to 120 for our Estimates performance measure results.

We provided many New Zealanders with the income support they required

As at the end of June 2026, around 413,700 people were receiving a main benefit from MSD. This number has increased since last year, primarily due to the ongoing challenging economic conditions. We continue to respond through operational changes to support people back into work (see 'Getting New Zealanders working' section on pages 43 to 47 for more detail).

MSD delivers a range of supplementary income supports to help people meet essential living costs. For the quarter ending June 2026, we granted around 542,800 hardship assistance payments. We also provided the Accommodation Supplement to around 363,000 people and the Disability Allowance to around 206,200 people as at the end of June 2026.

Increasing demand for our services creates ongoing pressure on MSD to balance service quality, timeliness and available resources. We have a range of initiatives underway to streamline processes and ensure New Zealanders are receiving the right payments at the right time, as outlined further below in this section.

Winter Energy Payments and Confirming Your Circumstances Review

In September 2026, we released a review that reported that some payments, including Winter Energy Payments (WEP) and a subset of main benefits and supplementary assistance, were suspended when they should not have been in the course of implementing new Confirming Your Circumstances (CYC) mandatory reviews.

These issues have now been remediated and we are committed to implementing the recommendations of the review, which can be found online:

www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/information-releases/2026/winter-energy-payment-and-confirming-your-circumstances-a-review.pdf.

We continue to focus on improving the accuracy and timeliness of processing our income support entitlement assessments

Our overall performance

Our overall performance in providing income support is improving. Our accuracy measure of benefit entitlement applications and reviews is significantly above 2024/25, with more work to do.

In 2025/26, we achieved our 95 percent standard for four of our seven accuracy measures and our 90 or 95 percent standards for four of our six timeliness measures. Further information on each of these is outlined below.

For working-age clients

Our accuracy remains below our expectations but has improved significantly over the past year. This positive trend suggests that the improvement initiatives implemented are having the intended impact and are contributing to better performance.

Applying the correct dates remains a key focus area. Ongoing improvement initiatives, including targeted support plans along with updated guidance and training materials, are helping to strengthen capability and improve accuracy in areas of lower performance.

Our timeliness has improved through the year but is below 90 percent for working-age clients. This is mainly because more people are receiving support, which has increased demand for our services.

We have an ongoing work programme focused on reducing backlogs across our service lines and identifying operational and technical improvements, to both sustain the reductions achieved to date and deliver further improvements over time.

For seniors clients

Our accuracy has remained largely stable, decreasing by less than one percentage point compared with last year. The result continues to reflect the complexity of assessing supplementary benefits and reinforces the importance of our ongoing quality assurance and continuous improvement.

While our timeliness remains below standard, performance has improved since last year, supported by our focus on reducing backlogs.

For other clients receiving income support

We continue to achieve both our accuracy and timeliness standards for Student Loans, Student Allowances and service cards, as well as our accuracy standard for Income-Related Rent and our timeliness standard for Veterans income support. Veterans income support accuracy is slightly below standard but has remained relatively steady, declining only marginally since last year.

Debt levels remain high and require ongoing attention

The average amount of overpayment debt per client (current and former) for people who have overpayment debt with MSD has increased slightly since last year.

The high debt level reflects both economic pressures and the expected increase in identification of overpayments as a result of Budget 2025 investment in income charging data-matching activity, to better identify and correct entitlements for those in work. MSD engages with clients to encourage and support manageable and sustainable repayment arrangements.

We have been investing in supports to ensure New Zealanders are receiving the right payments at the right time

Income Charging

Phase One began in July 2025, which invested in additional staff to increase the number of MSD's client income records manually reviewed against Inland Revenue information identifying discrepancies. This helps ensure the right people are receiving the right payment at the right time. This investment has meant that in 2025/26, MSD had the capacity to match a total of 105,174 client income records to Inland Revenue information, a 60 percent increase from 65,698 in 2024/25. The number of cases completed also increased, with 82,149 in 2025/26 compared with 53,576 in 2024/25.

Work is underway on the policy and design settings for Phase Two, which will replace Phase One, and will use Pay As You Earn (PAYE) salary and wages information shared by Inland Revenue to calculate how much income-tested financial assistance people can receive from MSD. The changes will help to minimise opportunities for overpayment debt to be established, improve the accuracy of benefit payments, and reduce the burden on clients to have to declare their PAYE income to MSD each week.

In 2025/26, this has included public consultation on changes to the Approved Information Sharing Agreement with Inland Revenue which will support the delivery of both phases.

Automated Decision Making (ADM)

The Social Security (Modernisation) Amendment Act 2026, which was passed on 29 May 2026, includes a general authorising provision to enable MSD to expand its use of ADM with appropriate safeguards. The Modernisation Act increases transparency and clarity of MSD's use of ADM and ensures its use is consistent with our ADM Standard. It updates processes, which will be implemented from 1 July 2026 through to September 2027, including expanding mandatory reviews to more specified benefits.

ADM will be used to automatically continue payments where certain criteria are met, and to suspend certain benefits when a client does not respond to a request for information. This reduces the risk of overpayment and creation of client debt through timely and efficient processes and ensuring client information is kept up to date. These changes support staff to spend more time having high-value conversations with clients who need support, rather than repeated manual processing.

MSD is required to have an ADM Standard in place and for all new uses of ADM to comply with the ADM Standard. The Standard was reviewed and updated in the first half of 2026. The Modernisation Act strengthened ADM safeguards by requiring in statute that the three-yearly review of the ADM Standard is consulted on with the Human Rights Commission in addition to the existing requirement to consult with the Privacy Commissioner.

Supporting people with their housing needs

Measuring our performance

On pages 18 to 19, we outline our performance framework. This details which KPIs and Estimates appropriations with performance measures relate to this focus area.

For more information on how we are performing, see pages 20 to 28 for our KPI results and pages 64 to 120 for our Estimates performance measure results.

The Government's Emergency Housing Target has been met and we have continued to maintain it

This Government Target was met in December 2024 and our focus remains on maintaining the reduction. This has been supported by a range of initiatives progressed by MSD and HUD (MCERT from 1 July 2026).

An evaluation of our emergency housing support services found that our services are effective, valued and associated with sustained exits from emergency housing. Administrative data showed that over 99 percent of emergency housing exits for participants were sustained for at least 180 days. The services work best when integrated with other services (such as mental health or addiction services) while being relationship-focused, culturally grounded and flexible. The evaluation can be found online: www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/evaluation/ehss-evaluation-final-report/emergency-housing-support-services-evaluation-report-2026.pdf.

Ongoing investment in emergency housing support services proven to address barriers to housing independence experienced by MSD clients — including housing navigation and brokerage, and appropriate financial assistance (for example, Housing Support Products) — is enabling MSD to sustain exits from emergency housing.

The Priority One category on the Social Housing Register, introduced in April 2024, has enabled MSD to support more families with children out of emergency housing and into social housing. As at the end of June 2026, 1,128 households, including around 2,403 children, had been placed in social housing via the Priority One fast-track since May 2024.

Emergency housing remains available for those who meet the eligibility requirements. For the quarter ending June 2026, we processed 6,444 applications for emergency housing. Of those, 69 percent were approved and accessed emergency housing. Of the 31 percent that were found to not be eligible, around 70 percent received another more suitable form of assistance, including Transitional Housing referrals, or support to access alternative housing through the Accommodation Supplement, Housing Support Products, or other hardship grants.

The Audit Office recently conducted a review of New Zealand's temporary housing system. The review found that, generally, agencies are collaborating well to support people in immediate housing need but recommended further enhancements to address identified gaps. MSD has progressed some work in response to the recommendations, including updating staff guidance.

We are assessing people's needs and placing them on the Social Housing Register more quickly

MSD's role is to actively manage the Social Housing Register to ensure it accurately reflects the needs of applicants. The number of people on the Social Housing Register, including both the Housing Register and the Transfer Register, has remained relatively steady, increasing slightly from 23,721 at year end 2024/25 to 24,096 as at June 2026 – an increase of 1.6 percent.

The average time taken to place clients on the Social Housing Register has improved from 17 days for 2024/25 to 13 days for 2025/26. This reflects several factors, including lower volumes of new Register applications received in 2025/26.

We are jointly leading the Government's multi-year reform of New Zealand's social housing system

In May 2026, the Government announced a multi-year review and reform of New Zealand's social housing system, based on three key shifts:

- refocusing social housing on those who face severe and persistent barriers to accessing private housing
- improving sustainable flows through and out of social housing to housing independence
- improving equity and the financial incentives toward independence by reducing the gap between the cost of private and social housing.

MSD is jointly responsible for the Review of the Social Housing system, alongside HUD (MCERT from 1 July 2026). The scope of the review includes the provision of social housing, housing subsidies (such as the Accommodation Supplement, Income-Related Rent Subsidy and Temporary Additional Support, which are administered by MSD), and alternative options to meet housing need.

As a first step in the Review of the Social Housing system, a package of changes to the Accommodation Supplement, Income-Related Rent, and Temporary Additional Support were announced in Budget 2026. The section 'Other significant Budget decisions' on page 41 outlines more information on these Budget 2026 initiatives.

Partnering with others

Measuring our performance

On pages 18 to 19, we outline our performance framework. This details which KPIs and Estimates appropriations with performance measures relate to this focus area.

For more information on how we are performing, see pages 20 to 28 for our KPI results and pages 64 to 120 for our Estimates performance measure results.

We have supported communities in many different ways

We have continued to partner with a large network of iwi, community groups and organisations in ways that enable them to improve outcomes for communities.

We have supported communities to lead solutions that work for them through initiatives such as E Tū Whānau and Pasefika Proud. These community-led approaches help strengthen wellbeing, build capability and prevent harm. They also support our ongoing commitments to Māori and Pacific people under MSD's Te Pae Tata and Pacific Prosperity strategies.

We have continued to invest in services and initiatives that help people respond to whānau and community harm. This includes family violence and sexual violence prevention and intervention programmes, and refuge and perpetrator services. It also includes our partnership with Police to administer the Resilience to Organised Crime in Communities funding. Together, these help build safer communities and contribute to the Reduced Violent Crime Government Target and the Reduced Child and Youth Offending Government Target.

Another way we have helped communities is through supporting some of the networks and services that people rely on when times are tough. This includes investing in food security initiatives, building financial capability services, and the Heartlands network, which helps people in rural communities access government services and support closer to home. By strengthening local connections, knowledge and access to support, we help communities navigate immediate challenges while building greater resilience for the future.

We have supported young people to achieve better outcomes

In 2025/26, the Ministry of Youth Development (MYD) funded providers to deliver youth development and enterprise programmes to more than 27,000 young people.

In August 2025, the Youth Development Partnership and Innovation Fund was launched. It brings together communities, iwi, government agencies, and other organisations to co-invest with us in youth development programmes designed and led locally that improve outcomes for at-risk young people. By the end of June 2026, nine partnerships had been confirmed through the fund. Through its matched funding model, the fund has attracted 14 funding partners, increasing both the investment amount and access to programmes for young people.

We have evaluated some of the community support programmes we fund, and they have been found to be effective

One of the ways we assess the effectiveness of the services we fund is through evaluations. These help to inform our investment and service design decisions.

An evaluation of MSD's Food Secure Communities programme found it to be effective in building a functioning food distribution infrastructure. The evaluation can be found online: www.msd.govt.nz/about-msd-and-our-work/publications-resources/evaluation/evaluation-of-the-food-secure-communities-programme/evaluation-of-the-food-secure-communities-programme.html.

An evaluation of Budget 2019 investment in sexual violence support services found that the increased funding improved the accessibility, responsiveness, range and professionalism of specialist sexual violence services. The evaluation can be found online: www.msd.govt.nz/about-msd-and-our-work/work-programmes/family-and-sexual-violence/sexual-violence-services/sexual-violence-research/evaluation-of-budget-2019-investment-in-sexual-violence-support-services.html.

Findings on the evaluation of Preventing child sexual abuse – evaluation of concerning sexual ideation intervention pilot support the effectiveness of the intervention.

The evaluation can be found online: www.msd.govt.nz/about-msd-and-our-work/work-programmes/family-and-sexual-violence/sexual-violence-services/sexual-violence-research/evaluation-of-a-concerning-sexual-ideation-intervention-pilot.html.

As part of the ongoing Te Korowai Whetū Social Cohesion work, the Social Cohesion in Aotearoa New Zealand 2024 report was published in 2025, which brings together data from a range of sources to provide a snapshot of social cohesion. It can be found online: www.msd.govt.nz/documents/about-msd-and-our-work/work-programmes/community/social-cohesion/2024-social-cohesion-indicator-report-final.pdf.

We have been progressing work to improve the effectiveness evidence base for the community supports we fund and to support sustainable funding approaches

In July 2025, we completed an assessment of available evidence across some of the key community support programmes we fund. It found that most programmes meet the Social Investment Agency's Level 1 Impact Measurement Standards by having an evidence-based theory of change, including all those receiving funding over \$10 million per annum. Many also meet Level 2, with evidence indicating changes in outcomes and/or impacts.

Over the coming years, we will be building the evidence base further with a planned programme of evaluations, as well as strengthening ongoing programme monitoring information to support investment decisions. This year, we started to build a system to record evidence of effectiveness in one place for future analysis.

We have also reduced the compliance burden on providers and supported sustainable funding approaches by implementing longer contract durations. Our contract consolidation work builds on this by streamlining relationship management, consolidating reporting requirements and aligning payment structures. The section 'Enabling MSD people to help New Zealanders' on pages 57 to 58 outlines more detail on the related partnering improvements workstream of our transformation programme.

Providing services that disabled people need

Measuring our performance

On pages 18 to 19, we outline our performance framework. This details which KPIs and Estimates appropriations with performance measures relate to this focus area.

For more information on how we are performing, see pages 20 to 28 for our KPI results and pages 64 to 120 for our Estimates performance measure results.

We have implemented changes to improve how DSS operates

Disability Support Services (DSS) is the commissioner, funder and steward of services that are responsive to disabled people's needs. DSS has been through a significant period of change over the last few years. These changes followed external reviews of both the disability support system and DSS commercial management practices.

In 2025/26, we focused on stabilising the disability support system and strengthening how we operate. We responded to all seven recommendations from the 2024 Independent Review of Disability Support Services and continued to mature our commercial management practices. Through our response to these external reviews, we have improved our financial controls, strengthened our commercial capability and practice, bolstered our commercial governance and capacity, and enhanced how we monitor services.

To make the system fairer, more consistent, transparent and sustainable, we have:

- implemented new residential global pricing and a new panel services agreement for residential-based care. This new model means the funding DSS allocates to providers will better align with the number of residents they support and the needs of those residents, including consideration for their location
- removed the flexible funding purchasing rules and implemented a single national assessment and allocation model, which improves the way disabled people's needs are assessed and supports are allocated. This model considers the needs of disabled people and their carers by giving them more choice, certainty and control over how they use their flexible funding to support their needs
- re-engaged Link Consulting (Link) to undertake a follow-up review of DSS commercial management practices, to provide an independent view of progress against the recommendations made in the original review in 2024. The final report was received in July 2026 and concluded that DSS has responded constructively and comprehensively to the 2024 recommendations, and made a material uplift in its commercial management capability. It also recognised that DSS had established the required governance, frameworks and controls, with all 15 applicable recommendations assessed as 'Functioning' or higher, including two assessed as 'Strong' and seven as 'Well-placed'.

We acknowledge that the pace of change has been significant for sector providers. We continue to support our providers as we embed some of the changes. These changes have been informed by community feedback through a consultation in 2025, and will help us to provide disabled people with high-quality, sustainable services that respond to their needs.

The changes will need time to embed before we are able to demonstrate their full impact through the results of our monitoring, which will be used to inform future work.

We will continue to strengthen the disability support system to enable sustainable delivery of essential support and services to disabled people.

DSS has also been working to strengthen how abuse and neglect are prevented, identified and responded to as part of the Crown Response Plan for survivors of abuse in care. The section 'Other Government and ministerial priorities' on pages 34 to 35 outlines more information on this work.

We are committed to improving services in areas the community have told us matter most to them and providing better support for family carers

We have a work programme of continuous improvement underway to strengthen the disability support system. We will address service gaps and embed and monitor system improvements using insights and evidence to inform delivery. This work, including the delivery of the enhanced audit programme, aims to provide greater clarity of purpose of the services we deliver, improve service responsiveness, and ensure that services and supports work for disabled people, their families and carers, now and into the future.

In June 2026, we began further community consultation to help shape further improvements to disability support services. This consultation builds on what people have already told us and focuses on improvements in key areas the community said matter most.

The 2026 consultation includes a focus on improving respite options for carers, which will inform future work. Family carers play an important role and we have started work on options for a Carer Support Package to better support them. This work includes looking at payments, respite, and practical support for family carers delivered in a way that provides more certainty and consistency.

The Disability Support Services Act 2026 provides a legal foundation for a more consistent, fair and transparent disability support system

The Disability Support Services Bill, introduced to Parliament in May 2026, passed into law in September 2026 and is now the Disability Support Services Act 2026 (the Act).

The Act provides a legal framework for Disability Support Services, and:

- puts into law the purpose of DSS funding and the principles for decisions, such as consideration of the safety, dignity, choice and preferences of disabled people
- provides greater certainty regarding employment relationships within the DSS system
- establishes a transparent process for future changes to disability supports and services through a legislative requirement to consult on support programmes and to consider outcomes for disabled people.

This means the voice of the disability community will continue to inform our work. There will be opportunities for consultation as the next phase of legislative and policy work is developed over the next five years.

The Act reflects how DSS currently operates and does not change current eligibility, support or funding allocations. It provides a solid foundation for the DSS system going forward.

Enabling MSD people to help New Zealanders

Measuring our performance

On pages 18 to 19, we outline our performance framework. This details which KPIs and Estimates appropriations with performance measures relate to this focus area.

For more information on how we are performing, see pages 20 to 28 for our KPI results and pages 64 to 120 for our Estimates performance measure results.

MSD – services for the future

MSD – services for the future is a multi-year programme to transform how we operate, including modernising our technology and business processes so we can make it easier for clients, partners and our people to access and deliver the range of services MSD provides.

Our partnering improvements workstream – Kotahitanga is live

The second release of Kotahitanga went live in November 2025. This work created a simpler, more consistent way of managing contracts which has made it easier for us to work with the organisations and providers that partner with us to deliver services to our communities. This release built on releases 1 and 1.5 in the previous financial year and involved migrating more than 6,000 contracts into our core financial system.

This work also introduced a supplier/partner portal, which allows our partners to view their information, track transactions and take part in tenders and procurement. We work with more than 2,000 partner organisations who will benefit from more streamlined administration, including being able to sign contracts online.

The new system is designed to simplify contracting processes, reduce manual effort, and create a more consistent and user-friendly experience for both MSD staff and partners, supporting better outcomes for communities.

We went live with the first version of our new Digital Employment Service on 29 June 2026

Helping people to prepare for, find and stay in work is always one of our top priorities. MSD has been building what will become our new service platform – one place to support clients across housing, income and employment. Digital Employment is the first service launched on the platform, featuring technology to help connect job seekers with suitable work, and employers with potential candidates. This is the first phase of changes to make MSD's employment support for clients more targeted, timely and effective.

This first version is focused on improvements for job seekers, who can now log into MyMSD to see potential job matches, update their improved Jobseeker profile, and apply for jobs at any time for MSD staff to screen and shortlist. This new technology gives MSD better ways to understand a person's skills, experience and work interests, and connect them with opportunities they may not otherwise have seen.

Previously, all job applications were submitted by MSD's frontline staff on behalf of clients. Following the launch of Digital Employment, as at 10 August 2026 more than 94,000 work-obligated clients on the benefit had updated their profiles and could view jobs matched to their profile. At the same date, more than 7,700 positions were available for clients to apply for online, or were in a various stage of the application process.

These positions were available through 2,600 active vacancies (one vacancy can represent multiple positions).

In the next version, MSD will launch a dedicated portal for employers where they can create, edit and list their own vacancies, have those vacancies matched with MSD clients, and view and manage all their applicants.

Assessment of performance

Te aromatawai i ngā whakatutukitanga

Disclosure of judgements

Statement of compliance

The service performance information included in this section and the 'Measuring our performance' section has been prepared in accordance with Public Benefit Entity Financial Reporting Standard 48 (PBE FRS 48) and meets our requirements under the Public Finance Act 1989.

Our approach to measuring performance

MSD's Strategic Intentions 2025–2029 came into effect from 1 July 2025. This includes six focus areas, refreshed impact statements and a new impact statement for the delivery of disability support services. These changes are reflected in our updated outcomes framework (see pages 16 to 17).

Our outcomes framework shows how we measure progress towards our strategic direction Te Pae Tawhiti – Our Future and how we will deliver to our outcomes, focus areas and strategic shifts. It emphasises that changes to how we are delivering our services (through our strategic shifts) will impact on what we want to achieve (our outcomes and focus areas). Our 11 impact statements collectively represent how we will assess progress. They unpack our focus areas into more specific medium-term goals.

Our updated performance framework (see pages 18 to 19) shows how we measure and report on our performance towards our outcomes. We report on progress using Government Targets, Key Performance Indicators (KPIs) and Estimates performance measures. We use a suite of 18 KPIs to monitor progress towards our 11 impact statements.

Selection of our KPIs

Alongside our new Strategic Intentions 2025–2029, we have updated our suite of KPIs from 1 July 2025. This includes a new qualitative approach KPI for the delivery of disability support services.

MSD's KPIs cover service quality (timeliness, accuracy, and client and partner experience), programme effectiveness and client outcomes. Alongside our equity, trust and qualitative KPIs, these indicators provide information on both the delivery of our services and their impact on clients and public outcomes.

Performance against our 18 KPIs for 2025/26 is outlined on pages 20 to 28.

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.

We review our Estimates performance measures, standards and reporting exemptions each year to ensure they remain relevant, reflect changes in our operating environment and the services we provide, and support the achievement of our outcomes.

We apply the principles-based requirements of the PBE FRS 48 to ensure our performance information and reporting are appropriate and meaningful to users. Key considerations include:

- maintaining consistency of reporting to support comparability over time
- reviewing standards based on service objectives and priorities, funding levels and historical performance
- aggregating results across similar services to improve understanding
- applying measures that are appropriate to different stages of service development
- measuring improvements in client outcomes where appropriate.

Critical reporting judgements

We report performance information for our key activities. In reporting on performance measures, we have exercised judgement to determine which aspects of performance are most relevant and material to measure and report.

Given the size, diversity and complexity of our functions and services, we have grouped our material judgements into three key areas: delivering our services, customer experience, and policy advice and ministerial support.

Delivering our services

We provide a range of services, including employment, income support, housing assistance and disability support, to help New Zealanders access the support they need. The delivery of our services is measured using a mix of objective and subjective measures, including accuracy, timeliness, and effectiveness of services and programmes.

Employment outcomes

MSD supports people to prepare for, find and stay in work. Our measures have therefore been selected to monitor both the immediate (benefit exits into work) and longer-term effectiveness (staying in work) 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 outcomes, while allowing for timely reporting following MSD's intervention.

Accurate and timely completion of benefit assessments

A core service MSD provides is assessing and administering financial assistance and benefit entitlements for eligible clients. We use measures of both the accuracy and timeliness of our benefit entitlement processing (which are elements MSD can influence) and the end-to-end time taken for clients to receive financial support (which includes elements that are outside MSD's direct control). These measures monitor how well we are delivering these services.

We measure our accuracy and timeliness of benefit entitlement assessments through regular representative sampling of completed benefit entitlement applications and reviews to verify that they have been processed correctly. For these measures, we use a randomised proportional sampling approach. Sample sizes are statistically representative and reflect the distribution of work processed across frontline service delivery.

Given the complexity of benefit entitlement assessments, the 95 percent accuracy target and five working day processing standards (for most benefit entitlements) are challenging targets. However, they reflect our focus on lifting performance and getting it right for our clients.

Debt recovery

MSD is committed to ensuring people who receive payments are eligible for them. Our approach is to make it easy for clients to inform us of any changes in their circumstances, intervene early when concerns are raised, and work with clients to establish repayment arrangements that are sustainable and appropriate to their individual situations.

We use the proportion of debt repayment arrangements that remain in place after 60 days as an indicator of the sustainability of those arrangements. The 60-day period provides a reasonable assessment of whether the repayment arrangement is likely to be maintained over time based on the person's individual situation. As debt repayment takes time, and can affect clients' wellbeing, establishing sustainable repayment arrangements is a key factor in successful debt recovery.

Housing assistance

MSD helps people transition toward stable and sustainable housing solutions. We help people with their housing costs, assess their eligibility for the Public Housing Register (also known as the Social Housing Register) and support them out of emergency housing.

Stable housing has been associated with positive outcomes, including improved physical and mental health, and lower crime rates and 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 following receipt of an HSP allows us to assess how effective the assistance has been at helping people into more stable and sustainable housing.

Disability support services

Disability Support Services (DSS) is the commissioner, funder and steward of services that are responsive to disabled people's needs. DSS has been through a significant period of change over the last few years. These changes followed external reviews of both the disability support system and DSS commercial management practices.

In 2025/26, we focused on stabilising the disability support system and strengthening how we operate. A new qualitative approach KPI for the delivery of disability support services was added to the MSD performance framework (see pages 18 to 19). Two new Estimates measures were also added to provide performance information for the newly established high and complex framework services appropriation.

Further work on the DSS performance information is planned as part of the DSS strengthening work programme. New Estimates measures have been added for 2026/27, and further changes will be introduced in the coming years as this work programme is implemented.

Customer experience

Customer experience surveys provide important insights into the experiences of clients and providers. They provide valuable qualitative information that supplements our quantitative measures and other data.

MSD's Heartbeat survey

The Heartbeat client experience survey provides MSD with near real-time feedback on clients' experiences with MSD. The survey is provided to clients immediately following their engagement with MSD and is the source of data for our client outcome (awareness of obligations), trust and experience KPIs. The survey was designed in-house and the questions are regularly reviewed for appropriateness. In 2025/26, over 1.3 million clients received an invite to participate in the survey with an 8.2 percent response rate. This compares to 1.15 million clients receiving an invite to participate and an 8 percent response rate in 2024/25.

MSD surveys of stakeholders and clients

In addition to the Heartbeat survey, we seek feedback from clients on their progress towards outcomes and experience of specific services. We also gather feedback from stakeholders to provide insights into their experience and satisfaction working 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 on the nature of the service and contractual arrangements.

Provider surveys are an important source of client experience information and give insights into client satisfaction and progress towards outcomes. These surveys are typically designed jointly by providers and MSD and are reviewed regularly.

Policy advice and ministerial support

As part of assessing the performance of the policy advice and ministerial support services provided, MSD surveys:

- the Minister for Social Development and Employment (for advice and services provided by MSD's policy business group, data analytics and evidence services, Crown entities monitoring and appointments function, and MSD – services for the future programme, as well as satisfaction with the Regional Public Service Commissioners' leadership and co-ordination across the public service)
- the Minister for Child Poverty Reduction (for advice provided from MSD's policy business group)
- the Minister for Seniors (for advice provided from the Office for Seniors).

The policy satisfaction survey contains a common set of questions that assess the Minister's satisfaction with the services provided by the policy advice function.

This standard survey is used across departments that provide policy advice and aligns 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 independent assessment of its policy advice from the New Zealand Institute of Economic Research (NZIER). This technical review is undertaken by 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 our performance. We have applied the following criteria to help ensure 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 quantitative significance). We also assess qualitative significance, trends, and changes in methodology when deciding whether commentary is required.
- Disclosures outline significant changes to measures, standards or methodology from 2024/25. They also identify where a correction to a previously reported result has been made. Disclosures follow the relevant results 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. Prior year information is provided, where available, for comparison.

Year-end performance information on appropriations

This section reports on our performance against our Estimates performance measures and standards, as outlined in:

- the Vote Social Development Estimates of Appropriations and amended by the Vote Social Development Supplementary Estimates of Appropriations for the 2025/26 financial year
- the Vote Disability Support Services Estimates of Appropriations and amended by the Vote Disability Support Services Supplementary Estimates of Appropriations for the 2025/26 financial year.

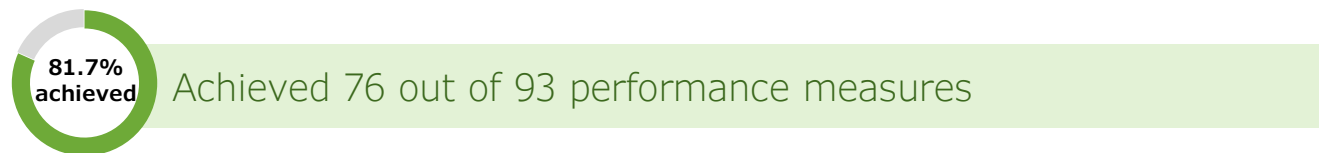
These documents are available on The Treasury website.

Some non-departmental appropriations within Vote Social Development have their performance information reported on elsewhere, such as through the Vote Social Development Non-Departmental Appropriations Report or the relevant Crown entity’s Annual Report.

Non-departmental appropriations in Vote Social Development and Vote Disability Support Services that are exempt from reporting requirements under the Public Finance Act 1989 have not been included in this report. Non-departmental categories which are exempt are included in this report within their Multi-Category Appropriation (MCA).

Financial information for all appropriations can be found in the Statement of Budgeted and Actual Expenses and Capital Expenditure Incurred Against Appropriations on pages 191 to 198.

Summary of our performance



In 2025/26, we met or exceeded 76 of our 93 Estimates performance measures (81.7 percent). This compares with 75 out of 94 (79.8 percent) in 2024/25.

The 2025/26 actual results in this section have been audited. Actuals for 2024/25 have been included, where available, for comparison.

The ‘Expenditure Appropriated, Reconciled to Operating Expenses’ table on page 172 of the financial statements provides a reconciliation between the expenses outlined in that section and the total goods and services costs reported throughout this section.

Status indicators

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

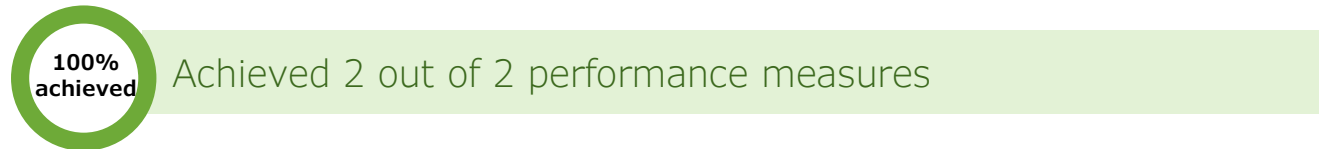
Vote Social Development

Output expense: Administration of Service Cards

Appropriation Minister: Minister for Social Development and Employment.

Scope of appropriation: 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.

What is intended to be achieved with this appropriation: 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

2024/25 Actual	Measure	2025/26		
		Standard	Actual	Status
97.5%	The percentage of card entitlement assessments completed accurately will be no less than (Note 1)	95%	96.5%	✓
97%	The percentage of card entitlement assessments completed within five working days will be no less than (Note 2)	90%	93.8%	✓

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 assessment is finalised.

The following information is provided for context:

	2024/25	2025/26
Number of card entitlement assessments sampled	1,510	1,510

Financial information

2024/25 Actual \$000	Financial performance (Figures are GST exclusive)	2025/26		
		Budgeted \$000	Revised \$000	Actual \$000
	Revenue			
8,025	Crown	7,165	7,165	7,165
-	Department	-	-	-
-	Other	-	-	-
8,025	Total Revenue	7,165	7,165	7,165
7,951	Total Expense	7,165	7,165	6,717
74	Net Surplus/(Deficit)	-	-	448

Output expense: Data, Analytics and Evidence Services

Appropriation Minister: Minister for Social Development and Employment.

Scope of appropriation: This appropriation is limited to providing data, analytics and evidence services to better inform government decision-making.

What is intended to be achieved with this appropriation: 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.



Achieved 3 out of 3 performance measures

Performance information

2024/25 Actual	Measure	2025/26		
		Standard	Actual	Status
96.1%	The percentage of products produced by MSD that support more effective use of data and analytics will be no less than (Note 1)	90%	96.2%	✓
96.1%	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%	94.1%	✓
The standard was significantly exceeded. In February 2025, we refined our approach to stakeholder surveys, improving coverage across stakeholder groups and strengthening our ability to identify and engage users of our work. This has enabled us to better understand our stakeholders' needs and target our engagement activities more effectively.				
0.40%	Average forecast variances for Vote Social Development – Benefits or Related Expenses (BoREs) in the 12 months to June are within the range of (Note 3)	+/-2%	0.3%	✓

Note 1: The result is from 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), which are assessed against a Quality Framework.

Note 2: Internal stakeholders and the Minister for Social Development and Employment are surveyed using pulse-check survey results. The recipients of the survey are the end users of a cross-section of data and insights products.

Note 3: 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 Budget Standard is the average variance between forecast and actual monthly spend.

The following information is provided for context:

	2024/25	2025/26
Sample		
Number of products and services sampled	246	291
Survey		
Number of stakeholders surveyed	118	86
Survey response rate	9.3%	12.8%
Publications		
Number of key publication documents published on MSD's external website (Note 1)	82	68

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 information

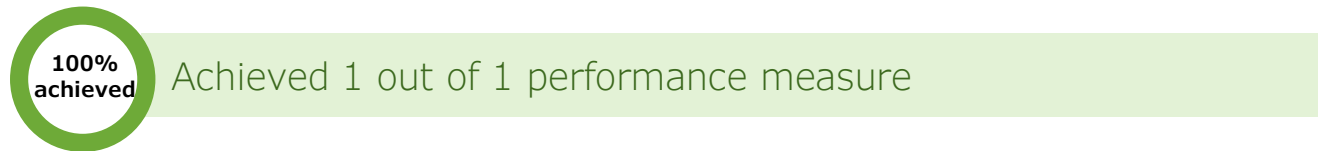
2024/25 Actual \$000	Financial performance (Figures are GST exclusive)	2025/26		
		Budgeted \$000	Revised \$000	Actual \$000
	Revenue			
39,793	Crown	40,815	41,265	41,265
-	- Department	-	-	-
-	- Other	-	-	-
39,793	Total Revenue	40,815	41,265	41,265
35,753	Total Expense	40,815	41,265	40,846
4,040	Net Surplus/(Deficit)	-	-	419

Output expense: Enhancement and Promotion of SuperGold Cards

Appropriation Minister: Minister for Seniors.

Scope of appropriation: 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.

What is intended to be achieved with this appropriation: 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

2024/25 Actual	Measure	2025/26		
		Standard	Actual	Status
534	The number of new businesses joining the SuperGold card programme will be no less than (Note 1)	375	633	✓

The standard was significantly exceeded. This was due to the success of our SuperGold business recruitment campaign in August/September 2025, which resulted in 253 new business sign ups, and supplementary recruitment activity throughout the year.

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

The following information is provided for context:

	2024/25	2025/26
Number of providers offering concessions/discounts on SuperGold cards (as at the end of June) (Note 1)	5,745	5,854
Number of operating business outlets (as at the end of June)	10,718	11,259

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 information

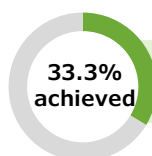
2024/25 Actual \$000	Financial performance (Figures are GST exclusive)	2025/26		
		Budgeted \$000	Revised \$000	Actual \$000
	Revenue			
1,729	Crown	1,734	1,734	1,734
-	- Department	-	-	-
-	- Other	-	-	-
1,729	Total Revenue	1,734	1,734	1,734
1,728	Total Expense	1,734	1,734	1,571
1	Net Surplus/(Deficit)	-	-	163

Output expense: Income Support and Assistance to Seniors

Appropriation Minister: Minister for Social Development and Employment.

Scope of appropriation: This appropriation is limited to processing and administering New Zealand Superannuation payments, social security entitlements and international social security agreements to older people, providing advice to older people, and assessing financial entitlement to residential subsidies.

What is intended to be achieved with this appropriation: This appropriation is intended to achieve the accurate and timely assessment and payment of entitlements to older people.



33.3%
achieved

Achieved 1 out of 3 performance measures

Performance information

2024/25 Actual	Measure	2025/26		
		Standard	Actual	Status
89.6%	The percentage of entitlement assessments for payment of entitlements to older people completed accurately will be no less than (Notes 1 and 2)	95%	88.7%	✗
81.9%	The percentage of entitlement assessments for payment of entitlements to older people finalised within standard timeframes will be no less than (Notes 1 and 3)	90%	82.6%	✗
The standards for both accuracy and timeliness were not met. Accuracy of entitlement assessments for Seniors remains below the standard and is slightly lower than the previous year. Timeliness has improved compared with the previous year but still remains below standard. Performance continues to be impacted by increasing demand for Seniors services and the complexity of client needs, which has impacted workforce capacity. Accuracy of our New Zealand Superannuation-related assessments (94.1 percent) remains higher than supplementary benefit assessments (76.5 percent). Our overall accuracy results are influenced by the high proportion of assessments related to supplementary benefits and reviews of entitlements, which are more complex to process. Disability Allowance accounts for a significant proportion of errors and will be a key focus area for improvement. We continue to focus on lifting staff capability through training programmes and knowledge sharing so that more of our people can process the full range of Seniors products. Timeliness has been impacted by increased demand across Seniors services, particularly for Mandatory Reviews, which are often more complex and resource-intensive than routine processing. Additional resourcing is expected to enter processing queues during 2026/27 and, alongside increased capability across our processing workforce, is expected to support further improvements in timeliness.				
New measure	The average score for client satisfaction for those who are receiving New Zealand Superannuation will be no less than (Disclosure 1 and Note 4)	8	8.6	✓

Disclosure 1: This measure was added to provide further performance information on this appropriation.

Note 1: Entitlements to older people refer to applications for New Zealand Superannuation, and applications for supplementary benefits that MSD provides (such as Disability Allowance and Accommodation Supplement) for recipients of New Zealand Superannuation.

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

Note 3: Standard timeframes are:

- six working days for domestic clients from the date the last piece of information is received to enable a decision to be made
- 20 working days for overseas-based clients and Residential Care Services clients from the date the first piece of information is received.

Note 4: This measure is a question from MSD's Heartbeat survey which is provided to clients immediately following an engagement with MSD. It relates to their experience of the overall service they received on the day of their engagement and uses a score scale ranging from 0 (not at all positive) to 10 (completely positive). The average score is based on all responses to this question from the cohort of clients who are receiving New Zealand Superannuation at the time of their engagement with MSD. It is a subset of the broader Client experience: Overall service score KPI (see page 26).

The following information is provided for context:

	2024/25	2025/26
Number of New Zealand Superannuation applications and reviews sampled	4,003	4,143
Number of New Zealand Superannuation applications processed	68,562	74,031
Number of people receiving New Zealand Superannuation (as at the end of June)	941,511	974,001
Number of surveys completed by people receiving New Zealand Superannuation	N/A	26,753
Survey response rate	N/A	29.2%

Financial information

2024/25 Actual \$000	Financial performance (Figures are GST exclusive)	2025/26		
		Budgeted \$000	Revised \$000	Actual \$000
	Revenue			
56,735	Crown	65,804	65,804	65,804
-	- Department	-	-	-
-	- Other	-	-	-
56,735	Total Revenue	65,804	65,804	65,804
56,574	Total Expense	65,804	65,804	65,635
161	Net Surplus/(Deficit)	-	-	169

Output expense: Investigation of Overpayments and Fraudulent Payments and Collection of Overpayments

Appropriation Minister: Minister for Social Development and Employment.

Scope of appropriation: 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.

What is intended to be achieved with this appropriation: 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.



Achieved 3 out of 3 performance measures

Performance information

2024/25 Actual	Measure	2025/26		
		Standard	Actual	Status
86.1%	The percentage of cases of suspected fraud which are resolved through non-investigative intervention will be no less than (Note 1)	60%	87.2%	✓
The standard was significantly exceeded. This reflects our improved understanding of our external fraud risk, which has enabled us to resolve a greater proportion of cases through non-investigative responses and focus investigative resources on complex and higher-risk fraud cases.				
61%	The percentage of fraud cases responded to through an investigations process that result in an entitlement change will be no less than (Notes 1 and 2)	55%	63.5%	✓
The standard was significantly exceeded. Our performance remains consistent with the previous year and reflects our prioritisation of complex and higher-risk fraud cases for investigation.				
64.5%	The percentage of debt arrangements with non-current clients that remain in place for at least 60 days will be no less than (Note 3)	66%	66.8%	✓

Note 1: MSD has a three-tier approach to responding to fraud allegations. MSD's overall approach is to intervene early when concerns are raised, to make it easy for clients to do the right thing and avoid unnecessary overpayments and debt while still responding appropriately to serious fraud.

The first two tiers are non-investigative and are comprised of:

- early intervention – engaging with clients early to discuss any integrity issues raised, confirm obligations, and adjust entitlements, where appropriate
- facilitation – working more intensively with a client to assess their situation against their entitlements and adjust these, 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: The performance standard relates to the number of people who are subject to an investigation by specialist fraud staff (for example, one investigation can involve multiple people).

Note 3: Non-current clients are people who no longer receive financial assistance from Work and Income but still have a debt to repay. 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:

	2024/25	2025/26
Number of integrity intervention cases completed (Disclosure 1)	209,427	250,778
Number of cases completed by Client Service Integrity	6,298	7,799
Number of non-current debtors (as at the end of June)	244,897	265,775
Number of completed prosecutions (excludes wage subsidy)	45	42

Disclosure 1: There was an error in the reported number of integrity intervention cases completed in MSD's 2024 and 2025 Annual Reports (pages 98 and 63, respectively). This error relates to contextual information and does not affect the reported performance measure results. The context table numbers reported were for cases 'created' rather than 'completed'. For the Annual Report 2026, the numbers provided for both 2024/25 and 2025/26 are for cases completed.

Financial information

2024/25 Actual \$000	Financial performance (Figures are GST exclusive)	2025/26		
		Budgeted \$000	Revised \$000	Actual \$000
	Revenue			
63,767	Crown	65,448	65,448	65,448
-	- Department	-	-	-
-	- Other	-	-	-
63,767	Total Revenue	65,448	65,448	65,448
63,647	Total Expense	65,448	65,448	65,267
120	Net Surplus/(Deficit)	-	-	181

Output expense: Management of Student Loans

Appropriation Minister: Minister of Revenue.

Scope of appropriation: 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.

What is intended to be achieved with this appropriation: This appropriation is intended to achieve reduced financial barriers to tertiary study by providing accurate and timely assessment and payment of Student Loans.

100%
achieved

Achieved 2 out of 2 performance measures

Performance information

2024/25 Actual	Measure	2025/26		
		Standard	Actual	Status
100%	The percentage of entitlement assessments for a Student Loan completed accurately will be no less than (Note 1)	95%	100%	✓
97.6%	The percentage of initial entitlement assessments for a Student Loan completed within five working days will be no less than (Note 2)	95%	99.9%	✓

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:

	2024/25	2025/26
Number of Student Loan assessments sampled	676	676
Number of Student Loan applications processed	181,909	197,670

Financial information

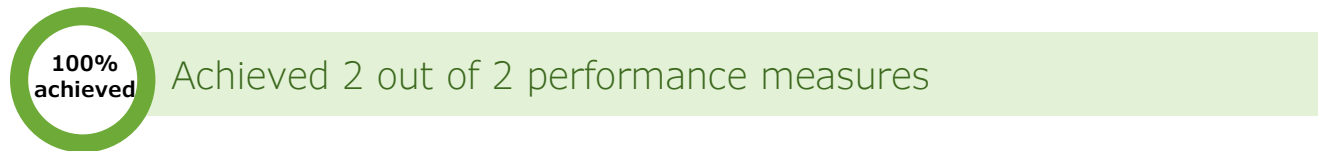
2024/25 Actual \$000	Financial performance (Figures are GST exclusive)	2025/26		
		Budgeted \$000	Revised \$000	Actual \$000
	Revenue			
30,001	Crown	23,689	28,689	28,689
-	Department	-	-	-
-	Other	-	-	-
30,001	Total Revenue	23,689	28,689	28,689
29,794	Total Expense	23,689	28,689	28,019
207	Net Surplus/(Deficit)	-	-	670

Output expense: Management of Student Support

Appropriation Minister: Minister for Social Development and Employment.

Scope of appropriation: 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.

What is intended to be achieved with this appropriation: 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

2024/25 Actual	Measure	2025/26		
		Standard	Actual	Status
97.9%	The percentage of entitlement assessments for a Student Allowance completed accurately will be no less than (Note 1)	95%	99.1%	✓
97.2%	The percentage of initial entitlement assessments for a Student Allowance completed within five working days will be no less than (Note 2)	95%	99.9%	✓

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:

	2024/25	2025/26
Number of Student Allowance assessments sampled	676	676
Number of Student Allowance applications processed	89,611	94,557

Financial information

2024/25 Actual \$000	Financial performance (Figures are GST exclusive)	2025/26		
		Budgeted \$000	Revised \$000	Actual \$000
	Revenue			
29,815	Crown	23,590	28,590	28,590
-	- Department	-	-	-
-	- Other	-	-	-
29,815	Total Revenue	23,590	28,590	28,590
29,649	Total Expense	23,590	28,590	28,019
166	Net Surplus/(Deficit)	-	-	571

Output expense: Planning, Correspondence and Monitoring

Appropriation Minister: Minister for Social Development and Employment.

Scope of appropriation: 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.

What is intended to be achieved with this appropriation: This appropriation is intended to achieve effective and efficient ministerial, advisory and administrative services to support Ministers to discharge their portfolio responsibilities.

100%
achieved

Achieved 2 out of 2 performance measures

Performance information

2024/25 Actual	Measure	2025/26		
		Standard	Actual	Status
Crown Entity Monitoring				
New measure	The score for the Minister for Social Development and Employment's satisfaction with the services provided by the Crown entities monitoring and appointments function will be no less than (Disclosure 1 and Note 1)	3.5	3.5	
Ministerial and Executive Services				
97.3%	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 will be no less than (Note 2)	95%	98.2%	

Disclosure 1: The previous measure regarding the timeliness of providing reports was replaced with a Ministerial satisfaction measure which better reflects the intent of the funding.

Note 1: The Minister is surveyed annually using a scale of 1–5, where 1 means very dissatisfied and 5 means very satisfied.

Note 2: The quality standard is that the report 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 with the Minister's office
- 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 with the Minister's office.

The following information is provided for context:

	2024/25	2025/26
Crown Entity Monitoring		
Number of Crown entities monitored	3	4
Number of Crown entities monitoring and appointments reports provided	39	46
Ministerial and Executive Services		
Number of ministerial correspondence replies drafted	468	564
Number of written parliamentary questions replies drafted	1,520	1,517
Number of Official Information Act replies drafted	158	119
Number of information requests from Ministers' offices completed	1,183	964
On behalf of MSD's Chief Executive		
Number of Official Information Act request replies sent	1,483	1,547
Number of letters (including electronic) sent (received directly by MSD)	453	508
Number of letters (including electronic) sent (referred to MSD by a Minister)	665	743

Financial information

2024/25 Actual \$000	Financial performance (Figures are GST exclusive)	2025/26		
		Budgeted \$000	Revised \$000	Actual \$000
	Revenue			
7,775	Crown	6,584	7,384	7,384
-	- Department	-	-	-
-	- Other	-	-	-
7,775	Total Revenue	6,584	7,384	7,384
7,522	Total Expense	6,584	7,384	7,284
253	Net Surplus/(Deficit)	-	-	100

Output expense: Policy Advice

Appropriation Minister: Minister for Social Development and Employment.

Scope of appropriation: 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.

What is intended to be achieved with this appropriation: This appropriation is intended to achieve high-quality policy advice to support decision-making.



Achieved 3 out of 6 performance measures

Performance information

2024/25 Actual	Measure	2025/26		
		Standard	Actual	Status
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 (Disclosure 1)	4	3.8	✗
4.9	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)	4	3.8	✗
This explanation relates to the two ministerial satisfaction survey measures above where the standard has not been met. A new survey and methodology was used for these measures for the 2025/26 results (see Disclosure 1). In 2025/26, overall consistency of the appropriateness of policy advice was very high, with 100 percent of elements of policy advice assessed as satisfactory.				
3.46	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 no less than (Note 1)	3.5	3.62	✓
	In relation to the quality of policy advice, the distribution of scores for policy papers assessed using the common Policy Quality Framework:			
29%	• Score 4 or higher will be no less than	55%	42%	✗
98%	• Score 3 or higher will be no less than	90%	98%	✓
2.2%	• Score 2.5 or lower will be no more than	10%	2%	✓
This explanation relates to the quality of policy advice measures above. The overall quality of papers improved this year, with the overall average score increasing from 2024/25. The percentage of papers scoring four or higher also increased but did not meet the standard.				

Disclosure 1: The Department of the Prime Minister and Cabinet (DPMC) released a new common Ministerial Policy Satisfaction Survey on 13 July 2026, which was used to calculate the 2025/26 results of these measures. The new survey has a different, granular five-point scoring scale (from needs significant improvement to extremely satisfied), which is used to assess more detailed elements of the services provided by the policy function. DPMC acknowledged that the new survey may result in lower scores compared to previous years and not all agencies have used the new survey. As a result, the 2025/26 results are not directly comparable with those from previous years.

Note 1: A sample of MSD's policy papers are assessed by the NZIER.

Financial information

2024/25 Actual \$000	Financial performance (Figures are GST exclusive)	2025/26		
		Budgeted \$000	Revised \$000	Actual \$000
	Revenue			
23,668	Crown	23,047	23,172	23,172
-	- Department	-	-	-
-	- Other	-	-	-
23,668	Total Revenue	23,047	23,172	23,172
21,589	Total Expense	23,047	23,172	21,779
2,079	Net Surplus/(Deficit)	-	-	1,393

Output expense: Processing of Veteran's Pensions

Appropriation Minister: Minister for Veterans.

Scope of appropriation: This appropriation is limited to the processing and administrative aspects of payment of Veteran's Pensions and related allowances.

What is intended to be achieved with this appropriation: This appropriation is intended to achieve the accurate and timely assessment and payment of Veteran's Pensions and related allowances.



Achieved 1 out of 2 performance measures

Performance information

2024/25 Actual	Measure	2025/26		
		Standard	Actual	Status
94.4%	The percentage of Veteran's Pension entitlement assessments completed accurately will be no less than (Note 1)	95%	93.1%	✗
The standard was nearly met. The introduction and training of new staff combined with the implementation of recent policy changes have impacted performance. The Veteran's Pension processing team is making greater use of quality and accuracy data to better understand performance trends and identify capability development opportunities. These insights are being used in coaching and performance conversations to support ongoing capability growth. We have also recently introduced improvements to workflow allocation and work management processes. These improvements provide greater visibility of outstanding client work and support the assignment of tasks based on individual capability, helping the team to manage requests more effectively and consistently. We expect that the combination of increased use of quality and performance data and enhanced workflow capability will support ongoing improvements to accuracy results over 2026/27.				
90.7%	The percentage of Veteran's Pension entitlement assessments completed within timeframes will be no less than (Note 2)	90%	90.3%	✓

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

Note 2: Standard timeframes are:

- six working days for domestic clients from the date the last piece of information is received to enable a decision to be made
- 20 working days for overseas-based clients and Residential Care Services clients from the date the first piece of information is received.

The following information is provided for context:

	2024/25	2025/26
Number of Veteran's Pension applications and reviews sampled	840	840
Number of applications for Veteran's Pension processed	435	228
Number of Veteran's Pension clients (as at the end of June)	4,815	4,677

Financial information

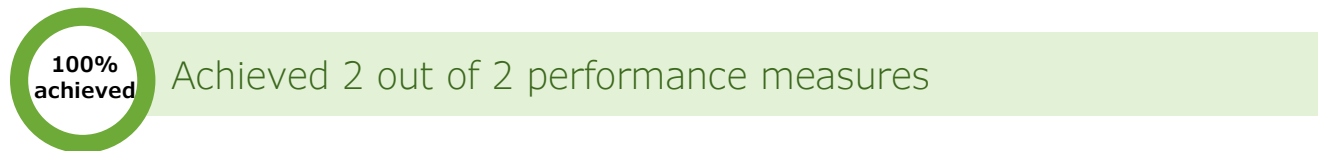
2024/25 Actual \$000	Financial performance (Figures are GST exclusive)	2025/26		
		Budgeted \$000	Revised \$000	Actual \$000
	Revenue			
785	Crown	757	757	757
-	Department	-	-	-
-	Other	-	-	-
785	Total Revenue	757	757	757
632	Total Expense	757	757	592
153	Net Surplus/(Deficit)	-	-	165

Output expense: Promoting Positive Outcomes for Seniors

Appropriation Minister: Minister for Seniors.

Scope of appropriation: 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.

What is intended to be achieved with this appropriation: 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 (Disclosure 1)

2024/25 Actual	Measure	2025/26		
		Standard	Actual	Status
4	The average service quality rating for support provided to the Minister for Seniors will be no less than (Disclosure 2 and Note 1)	3.5	4	✓
79.8%	The percentage of stakeholders who report being 'satisfied' or 'very satisfied' with the level of engagement of the Office for Seniors will be no less than (Disclosure 3 and Note 2)	75%	84.9%	✓
The standard was significantly exceeded. This score reflects the quality of the engagement with stakeholders provided by Office for Seniors.				

Disclosure 1: The 2024/25 measure regarding the Minister for Seniors' approval of the Better Later Life Action Plan 2025–28 was removed as it was time-limited to 30 June 2025.

Disclosure 2: This year, the Office for Seniors updated the ministerial satisfaction survey descriptors for the rating scale to improve clarity and better align with cross-government ministerial satisfaction assessment approaches. The service quality rating still uses a scale of 1–5, but now 1 means 'was not satisfactory' and 5 means 'greatly exceeded my expectations'.

Disclosure 3: This year, the Office for Seniors updated the wording of the survey questions to better align with the framing of the measure.

Note 1: Every six months the Minister for Seniors and the Office for Seniors in MSD discuss the quality of service provided to the Minister in the previous half-year and agree a service quality rating. These conversations are used to drive performance improvements in the following six months.

Note 2: Stakeholders are surveyed annually from seniors sector organisations, and central and local government. The survey uses a scale of 1–5, where 1 means very dissatisfied and 5 means very satisfied.

The following information is provided for context:

	2024/25	2025/26
Number of Office for Seniors stakeholders who provided feedback on their engagement with the Office for Seniors (Note 1)	94	33

Note 1: The survey was distributed to a smaller group of stakeholders than in previous years. This was to avoid survey fatigue following a larger-scale survey aimed at refreshing the content and design of the Office's stakeholder newsletter.

Financial information

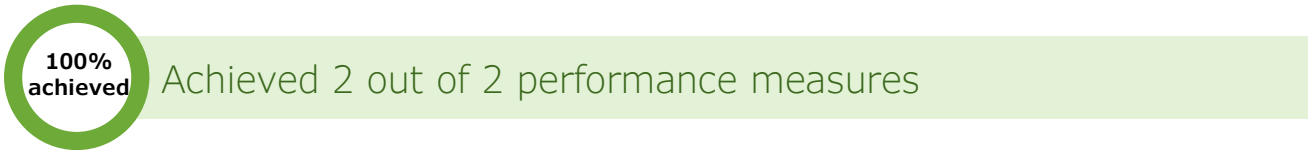
2024/25 Actual \$000	Financial performance (Figures are GST exclusive)	2025/26		
		Budgeted \$000	Revised \$000	Actual \$000
	Revenue			
2,270	Crown	1,870	1,870	1,870
-	- Department	-	-	-
-	- Other	-	-	-
2,270	Total Revenue	1,870	1,870	1,870
2,198	Total Expense	1,870	1,870	1,845
72	Net Surplus/(Deficit)	-	-	25

Output expense: Services to Support People to Access Accommodation

Appropriation Minister: Minister of Housing.

Scope of appropriation: This appropriation is limited to assessing and reviewing eligibility for housing needs and Income-Related Rent, managing the Public Housing Register and supporting the holistic needs of people and their families receiving housing-related case management support.

What is intended to be achieved with this appropriation: This appropriation is intended to achieve accurate and efficient operation of the Public Housing Register so that people who are eligible for public housing are accurately assessed, and those who are capable of housing independence move closer towards that.



Performance information

2024/25 Actual	Measure	2025/26		
		Standard	Actual	Status
95.6%	The percentage of Income-Related Rent assessments completed accurately will be no less than (Notes 1 and 2)	95%	97.5%	✓
17 working days	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	13 working days	✓
This measure is also a KPI (see page 24).				

Note 1: Income-Related Rent is a government-subsidised rent scheme for social 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:

	2024/25	2025/26
Number of Income-Related Rent assessments sampled	1,008	1,008
Number of applicants on the Public Housing Register (as at the end of June)	23,721	24,096

Financial information

2024/25 Actual \$000	Financial performance (Figures are GST exclusive)	2025/26		
		Budgeted \$000	Revised \$000	Actual \$000
	Revenue			
93,473	Crown	94,834	85,607	85,607
-	- Department	-	-	-
-	- Other	-	-	-
93,473	Total Revenue	94,834	85,607	85,607
89,719	Total Expense	94,834	85,607	82,913
3,754	Net Surplus/(Deficit)	-	-	2,694

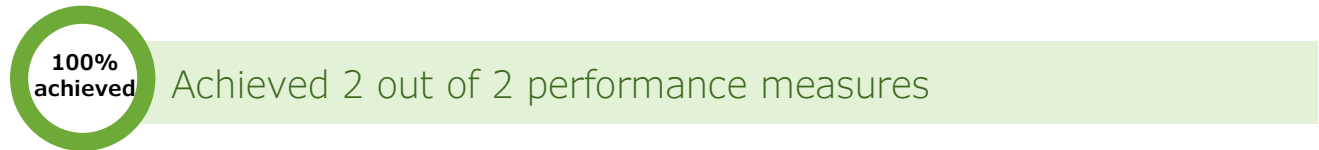
Other expense: Ministry of Social Development – Services for the Future Programme

This multi-year appropriation commenced on 1 July 2025 and expires on 30 June 2030. It replaces the previous multi-year appropriation for the MSD – services for the future programme (Te Pae Tawhiti – Horizon One).

Appropriation Minister: Minister for Social Development and Employment.

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

What is intended to be achieved with this appropriation: This appropriation is intended to enable the transformation of MSD's operating and service models.



Performance information

2024/25 Actual	Measure	2025/26		
		Standard	Actual	Status
New measure	The MSD – services for the future programme is on track for its main workstreams (Disclosure 1 and Note 1)	Achieved	Achieved	✓
MSD assesses whether the MSD – services for the future programme is on track through its established governance framework. The assessment is based on delivery performance against key milestones and key deliverables across the programme's main workstreams outlined in the Detailed Business Case. Progress is reviewed regularly by the Services for the Future Programme Delivery Steering Group and Programme Committee. Where changes to milestones were required, these were subject to established programme change-control processes and governance approval.				
New measure	The score for the Minister for Social Development and Employment's satisfaction with the quality of advice and information provided on the MSD – services for the future programme will be no less than (Disclosure 1 and Note 2)	3.5	4	✓
The standard was exceeded. This reflects the quality advice provided by MSD's transformation programme function.				

Disclosure 1: The measures in the previous multi-year appropriation for the MSD – services for the future programme (Te Pae Tawhiti – Horizon One) were time-limited to 30 June 2025. These new measures were chosen as the most appropriate type of measures to cover the intention of the funding.

Note 1: The main workstreams for the 2025/26 financial year from the Detailed Business Case approved by Cabinet in December 2024 include:

- Service Experience
- Digital Employment
- Effective Commissioning and Partnering (Kotahitanga)
- Contact Centre
- Client Engagement Practice
- Foundations.

Note 2: The Minister's satisfaction is calculated through the quality rating received on advice and information provided to the Minister through regular reporting and the Minister's engagement with MSD Officials. The satisfaction score is measured annually using a scale of 1–5, where 1 means never met expectations and 5 means always exceeded expectations.

Financial information

2024/25 Actual \$000	Financial performance (Figures are GST exclusive)	2025/26		
		Budgeted \$000	Revised \$000	Actual \$000
	Revenue			
-	Crown	67,590	128,924	96,810
-	Department	-	-	-
-	Other	-	-	-
-	Total Revenue	67,590	128,924	96,810
-	Total Expense	67,590	128,924	96,810
-	Net Surplus/(Deficit)	-	-	-

Capital expenditure: Ministry of Social Development – Capital Expenditure PLA

Appropriation Minister: Minister for Social Development and Employment.

Scope of appropriation: This appropriation is limited to the purchase or development of assets by and for the use of the Ministry of Social Development, as authorised by section 24(1) of the Public Finance Act 1989.

What is intended to be achieved with this appropriation: This appropriation is intended to achieve the replacement or upgrade of assets in support of the delivery of MSD's services.

100%
achieved

Achieved 1 out of 1 performance measure

Performance information

2024/25 Actual	Measure	2025/26		
		Standard	Actual	Status
New measure	Capital expenditure is in accordance with MSD's capital plan (Disclosure 1 and Note 1)	Achieved	Achieved	✓

MSD deems capital expenditure to be in accordance with its capital plan if full-year expenditure is within the capital plan budget, and approved in accordance with MSD's agreed Capital Investment Process. This document sets out MSD's process to develop, approve, and maintain the capital plan, including the steps for approving any changes to the capital plan. It includes the steps for approving any changes to the capital plan throughout the year to ensure the right assets are available to support the delivery of services and the achievement of organisational goals. It is also part of the legislative requirements and expectations for Chief Executives responsible for the performance of departments' investment and asset management.

In 2025/26, there was an underspend against the budget mainly because of approved changes to delivery schedules, with some initiatives now expected to be completed in 2026/27.

Our asset performance framework monitors and reports asset performance. More information on our property and technology asset performance can be found on pages 134 to 136. Further details of departmental capital expenditure incurred against appropriations can be found on pages 158 to 162, and details of departmental capital injections can be found on page 200.

Disclosure 1: This measure was added to align with performance reporting requirements.

Note 1: The Capital Plan sets out MSD's intentions for building, replacing and enhancing assets which are critical for the delivery of services and are in line with organisational strategy and priorities.

Financial information

2024/25 Actual \$000	Financial performance (Figures are GST exclusive)	2025/26		
		Budgeted \$000	Revised \$000	Actual \$000
58,585	Capital Expenditure (PLA)	65,972	66,417	47,926

Multi-Category 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.

What is intended to be achieved with this appropriation: This appropriation is intended to improve access for families and whānau to services which address hardship and adverse life outcomes.



Achieved 15 out of 15 performance measures

This appropriation contains two departmental output expenses, five non-departmental output expenses and one non-departmental other expenses categories.

Departmental Output Expenses:

Developing and Managing Community Services

Scope of appropriation: This category is limited to approving, monitoring, contracting and managing the relationships with community-based service providers; engaging with communities and developing services.

What is intended to be achieved with this appropriation: This category is intended to achieve effective and efficient community services that meet community needs and reduce vulnerability.

Regional System Leadership Framework

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

What is intended to be achieved with this appropriation: This category is intended to achieve strengthened regional system leadership by supporting Regional Public Service Commissioners in working to co-ordinate and align central government decision-makers.

Non-Departmental Output Expenses:

Community Support and Advice

Scope of appropriation: 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.

What is intended to be achieved with this appropriation: This category is intended to improve the wellbeing and financial capability of vulnerable individuals and families.

Improving Children's Participation in Education

Scope of appropriation: This category is limited to programmes and services that enable children to better engage and participate in education.

What is intended to be achieved with this appropriation: This category is intended to achieve an improvement in children's engagement and participation in education.

Participation and Support Services for Seniors

Scope of appropriation: This category is limited to services that address isolation, abuse and neglect of older people, and support participation in communities.

What is intended to be achieved with this appropriation: This category is intended to support older people who have experienced abuse and neglect to have greater control over their lives.

Place-Based Approaches

Scope of appropriation: This category is limited to the delivery of services and operational support of collective initiatives following a place-based approach.

What is intended to be achieved with this appropriation: 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 of appropriation: This category is limited to services that support victims of family and sexual violence and address perpetrator behaviour.

What is intended to be achieved with this appropriation: This category is intended to help victims and perpetrators of family and sexual violence to get the support they need.

Non-Departmental Other Expenses:

Community Response to Adverse or Emergency Events

Scope of appropriation: This category is limited to financial support for communities that have been impacted by an adverse or emergency event.

What is intended to be achieved with this appropriation: This category is intended to achieve increased local resilience through the use of community grants or essential community-led solutions.

Performance information

2024/25 Actual	Measure	2025/26		
		Standard	Actual	Status
Overarching measure				
94,639	The number of people accessing Community Support services will be no less than (Note 1)	84,100	101,600	✓
The standard was significantly exceeded. MSD continues to work collaboratively with community-based social service providers to fund, develop and implement a range of evidence-based approaches that meet people's needs. Because of ongoing demand for services, the standard has been increased from 84,100 to 90,000 for 2026/27.				
Departmental output expenses				
Developing and managing community services				
Te Kāhui Kāhu (formerly Social Services Accreditation)				
88%	The percentage of providers who rate their accreditation assessment as a fair and professional service will be no less than (Note 2)	80%	89.0%	✓
The standard was significantly exceeded. Our performance remains consistent with the previous year and reflects our commitment to providing a fair and professional accreditation service.				
90.1%	The percentage of accreditation assessments completed within the specified timeframe will be no less than (Note 3)	80%	91.5%	✓
The standard was significantly exceeded. Our performance remains consistent with the previous year and reflects our commitment to continuous improvement, including efficiencies gained through our evolving online platform (Te Kāhui Kāhu Online).				
Result measurement framework				
78.5%	The percentage of all contracted services which achieved or exceeded the target for their primary contracted measure will be no less than (Note 4)	75%	87.9%	✓
The standard was significantly exceeded. This result reflects strong service delivery by providers, effective regular performance monitoring, and a consistent focus on achieving contracted outcomes across the Community Support Services appropriation.				
Regional System Leadership Framework				
4	The score for the Minister for Social Development and Employment's satisfaction with the Regional Public Service Commissioners' leadership and co-ordination across the public service in the regions which contributes to improving outcomes for people, families and communities, will be no less than (Note 5)	3.5	4	✓
Non-departmental output expenses				
Community support and advice				
Building financial capability				
90.2%	The percentage of clients who report progress towards achieving their financial capability goals will be no less than (Note 6)	80%	87.2%	✓
Sector umbrella groups				
100%	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 7)	90%	97.0%	✓
Microfinance Partnership				
70%	The percentage of completed loan applications approved will be no less than	60%	61.1%	✓

2024/25 Actual	Measure	2025/26		
		Standard	Actual	Status
Improving children’s participation in education				
An exemption from performance reporting was granted under section 15D(2)(b)(iii) of the Public Finance Act 1989.				
Participation and support services for seniors				
92.0%	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 7)	80%	92.2%	✓
The standard was significantly exceeded. The result reflects the ongoing support for clients through Elder Abuse Response Services. MSD is working collaboratively with partners from across the family violence sector to improve referral pathways, including from telehealth services to community-based providers.				
Place-based approaches				
16	The number of demonstrable examples of whānau-centred system improvement insights produced by the Place-Based Initiatives will be no less than (Note 8)	8	8	✓
Supporting victims and perpetrators of family and sexual violence				
47,417	The number of people accessing family and sexual violence services will be no less than	30,500	46,504	✓
The standard was significantly exceeded. This reflects MSD’s approach to working in partnership with family and sexual violence providers to ensure services are designed and implemented to meet community needs. MSD is working with partners to improve referral pathways.				
Because of ongoing demand for services, the standard has been increased from 30,500 to 40,000 for 2026/27.				
96.2%	The percentage of victims of family violence who reported they received the support they needed will be no less than (Disclosure 1)	80%	95.2%	✓
This measure is also a KPI (see page 24).				
86.8%	The percentage of victims of sexual violence who reported they received the support they needed will be no less than (Disclosure 1)	80%	94.2%	✓
This measure is also a KPI (see page 24).				
100%	The percentage of non-mandated harmful sexual behaviour clients who show a decrease in risk factors will be no less than (Note 9)	80%	100%	✓
The standard was significantly exceeded. The result indicates that the service’s clinical approach, supported by wider psychosocial support, is effective in helping clients reduce risk factors associated with harmful sexual behaviour.				
Non-departmental other expenses				
Community response to adverse or emergency events				
42	The number of organisations engaged to provide infrastructure support to the community food sector will be no less than (Note 10)	42	42	✓

Disclosure 1: The previous measures regarding victims of family violence who reported they are satisfied or very satisfied with the family violence response services, and victims of sexual violence who reported they received the support they needed, when they needed it, were replaced with reframed measures to better align with the primary outcome of the services provided. The methodology has not materially changed.

Note 1: This measure includes the key programmes and services funded through this MCA where the number of people accessing them is reported on by the provider.

Note 2: Te Kāhui Kāhu assesses social service providers against the Social Sector Accreditation Standards to ensure they can safely deliver social services to their community.

Note 3: 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 4: This measure includes the key services funded through this MCA where MSD manages the contract, and it is possible to measure the primary contracted measure at the end of the financial year. Contracts between MSD and service providers outline the primary measures for those contracts 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 5: The Minister's satisfaction is calculated through the quality rating received on advice provided to them through reporting provided by MSD and the Minister's engagement with the Regional Public Service Commissioners. The satisfaction score is measured using a scale of 1–5, where 1 means never met expectations and 5 means always exceeded expectations.

Note 6: 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 using a scale of 1–10.

Note 7: Provider-administered client surveys are undertaken by the providers and reported to MSD as per contractual requirements.

Note 8: The Place-Based Initiatives (PBIs) 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. The PBIs included in this measure are the Manaaki Tairāwhiti, South Auckland Social Wellbeing Board and The Southern Initiative. The demonstrable examples, provided through reporting, are assessed against standardised quality specifications that align with the purpose of the PBIs' funding.

Note 9: 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.

Note 10: Infrastructure support includes the storage and distribution of large quantities of food through the branches of key partners or food hubs such as the New Zealand Food Network.

The following information is provided for context:

	2024/25	2025/26
Departmental output expenses		
Te Kāhui Kāhu (formerly Social Services Accreditation)		
Number of assessments completed	1,797	1,630
Number of providers surveyed on accreditation process	1,108	926
Provider survey response rate	19.6%	23.0%
Number of accredited providers (as at the end of June)	1,835	1,709
Result measurement framework		
Number of contracted service providers	738	595
Percent of contracted service providers who reported to MSD on their primary contracted measure	88.0%	82.0%
Non-departmental output expenses		
Building financial capability		
Number of Building Financial Capability clients (as at the end of June)	N/A	23,892
Sector umbrella groups		
Number of umbrella bodies who surveyed their member agencies	3	3
Microfinance Partnership		
Number of loan applications received	2,828	2,490
Participation and support services for seniors		
Number of elder abuse clients who provided formal client satisfaction feedback	1,953	1,633
Number of people accessing elder abuse response services	4,430	4,507

	2024/25	2025/26
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	4,358	5,718
Number of clients who used the Sexual Harm Crisis Support Service and provided feedback or formal client satisfaction feedback	2,119	3,824
Non-departmental other expenses		
Community response to adverse or emergency events		
Number of food parcels delivered by providers	457,340	446,031
Number of kilograms of food supplies distributed by community food hubs	8,633,804	8,370,831

Financial information

2024/25 Actual \$000	Financial performance (Figures are GST exclusive)	2025/26		
		Budgeted \$000	Revised \$000	Actual \$000
	Departmental Output Expenses			
	Revenue from Crown			
41,584	Developing and Managing Community Services	39,008	40,468	40,468
3,600	Regional System Leadership Framework	4,000	2,775	2,775
	Revenue from Departmental			
2,000	Regional System Leadership Framework	-	2,775	2,775
47,184	Total Revenue	43,008	46,018	46,018
46,817	Total Expense	43,008	46,018	44,326
367	Net Surplus/(Deficit)	-	-	1,692

2024/25 Actual \$000	Financial performance (Figures are GST exclusive)	2025/26		
		Budgeted \$000	Revised \$000	Actual \$000
	Non-Departmental Output Expenses			
9,005	Community Connectors	-	-	-
60,776	Community Support and Advice	50,002	52,455	52,269
1,642	Improving Children's Participation in Education	1,642	1,642	1,642
13,520	Participation and Support Services for Seniors	14,239	13,039	12,961
6,364	Place-Based Approaches	6,691	2,691	2,100
194,355	Supporting Victims and Perpetrators of Family and Sexual Violence	191,993	190,609	189,649
	Non-Departmental Other Expenses			
15,049	Community Response to Adverse or Emergency Events	14,900	14,900	14,863
300,711	Total Expense	279,467	275,336	273,484

Multi-Category 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.

What is intended to be achieved with this appropriation: 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.



Achieved 3 out of 3 performance measures

This appropriation contains one non-departmental output expenses, one non-departmental other expenses and one non-departmental capital expenditure categories.

Non-Departmental Output Expenses:

Provision to better prepare people to access and sustain private rentals

Scope of appropriation: This category is limited to the provision of programmes to help prepare people to obtain and sustain private rental accommodation.

What is intended to be achieved with this appropriation: 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 Expenses:

Non-Recoverable Housing Support Assistance

Scope of appropriation: 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.

What is intended to be achieved with this appropriation: 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 of appropriation: 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.

What is intended to be achieved with this appropriation: 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

2024/25 Actual	Measure	2025/26		
		Standard	Actual	Status
Overarching measure				
92.1%	The percentage of all Housing Support Product (HSP) recipients who 90 days later are not on the Housing Register, and have not received an Emergency Housing Grant will be no less than (Disclosure 1 and Notes 1, 2 and 3)	80%	93.3%	

This measure is also a KPI (see page 23).

Non-departmental output expenses

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 Public Finance Act 1989.

Non-departmental other expenses

Non-recoverable Housing Support Assistance

96.5%	The percentage of non-recoverable Housing Support Product (HSP) recipients who 90 days later are not on the Housing Register, and have not received an Emergency Housing Grant will be no less than (Disclosure 1 and Notes 1, 2 and 3)	80%	98.2%	
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The standard was significantly exceeded. This reflects that clients receiving the Transition to Alternative Housing Grant (TTAHG) are more likely to be in stable housing situations and ready and able to transition into the private rental market, and sustain those housing arrangements.

The TTAHG is the only non-recoverable Housing Support Product (HSP) and provides a one-off payment to eligible clients who voluntarily exit social housing (also known as public housing) and move into private rental accommodation.

Non-departmental capital expenditure

Recoverable Housing Support Assistance

New measure	The percentage of recoverable Housing Support Product (HSP) recipients who 90 days later are not on the Housing Register, and have not received an Emergency Housing Grant will be no less than (Disclosure 2 and Notes 1, 2 and 3)	80%	93.2%	
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The standard was significantly exceeded. This reflects the effectiveness of HSPs in helping vulnerable households obtain and maintain sustainable housing outcomes. We continue to utilise the suite of HSPs alongside pathways out of emergency and transitional housing and into more sustainable housing options, including private rentals.

Disclosure 1: The wording of these measures was adjusted for clarity and the standards were increased to better align with the performance trend.

Disclosure 2: This measure was introduced to provide performance information on this category.

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

Note 2: The Housing Register is a record of New Zealanders who are not currently in social housing and who have been assessed as being eligible. Emergency Housing Grants (previously called Emergency Housing Special Needs Grants) help 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.

The following information is provided for context:

	2024/25	2025/26
Number of Emergency Housing Grants approved	24,831	16,533
Number of Housing Support Product grants approved	152,397	157,155

Financial information

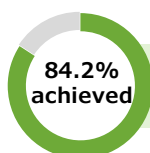
2024/25 Actual \$000	Financial performance (Figures are GST exclusive)	2025/26		
		Budgeted \$000	Revised \$000	Actual \$000
	Non-Departmental Output Expenses			
1,051	Provision to Better Prepare People to Access and Sustain Private Rentals	1,613	1,613	486
	Non-Departmental Other Expenses			
1,567	Non-Recoverable Housing Support Assistance	2,396	2,433	2,385
	Non-Departmental Capital Expenditure			
147,792	Recoverable Housing Support Assistance	166,802	165,895	157,143
150,410	Total Expense	170,811	169,941	160,014

Multi-Category 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.

What is intended to be achieved with this appropriation: This appropriation is intended to achieve improved employment and social outcomes.



Achieved 16 out of 19 performance measures

This appropriation contains four departmental output expenses and two non-departmental output expenses categories.

Departmental Output Expenses:

Administering Income Support

Scope of appropriation: 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.

What is intended to be achieved with this appropriation: 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 of appropriation: 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.

What is intended to be achieved with this appropriation: 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 Work-Readiness Outcomes

Scope of appropriation: 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.

What is intended to be achieved with this appropriation: 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 of appropriation: This category is limited to expenses incurred in establishing, operating and administering Jobs and Skills Hubs to work with employers to facilitate job brokerage and training.

What is intended to be achieved with this appropriation: This category is intended to support large-scale construction and infrastructure projects by building community workforce capability and capacity.

Non-Departmental Output Expenses:

He Poutama Rangatahi

Scope of appropriation: 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.

What is intended to be achieved with this appropriation: 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.

Pacific employment and training programmes

Scope of appropriation: This category is limited to expenses incurred on employment and training programmes that support Pacific peoples.

What is intended to be achieved with this appropriation: 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.

Performance information

2024/25 Actual	Measure	2025/26		
		Standard	Actual	Status
Overarching measures				
18,894	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 (Notes 1, 2 and 3)	18,000	24,953	✓
The standard was significantly exceeded. We have increased our engagement with clients, resulting in more proactive employment appointments and engagements with job seekers. We also enhanced our digital services to better support clients into employment opportunities. This contributed to the number of exits reported for this measure increasing by 32.1 percent from last year.				
63.4%	Of those clients who have exited a main benefit during the calendar year for reason of employment, following an employment intervention, the percentage that did not access a main benefit again in the following six months will be no less than (Notes 1 and 2)	55%	66.7%	✓
This measure is also a KPI (see page 21).				
94.9%	The percentage of Employment Assistance programmes rated 'effective' or 'promising' will be no less than	90%	96.5%	✓
This measure is also a KPI (see page 22).				
Departmental output expenses				
Administering income support				
78.8%	The percentage of benefit entitlement assessments completed accurately will be no less than (Note 4)	95%	86.4%	✗
This measure is also a KPI (see page 22).				
88.3%	The percentage of benefit entitlement assessments completed within five working days will be no less than (Notes 4 and 5)	90%	72.2%	✗
The standard was not met. The decrease in benefit entitlement assessments timeliness is due to a range of factors, including the growth in beneficiary numbers which has increased demand for our services. Also, MSD has experienced significant increases in online transaction volumes with more clients choosing digital changes for routine activities and applications, such as Temporary Additional Support reapplications through MyMSD. In April 2026, a targeted improvement programme was established to reduce outstanding work, strengthen operational performance, and identify process improvements to support sustainable results over time. Reducing work on hand and improving process efficiency enables more entitlement assessments to be completed within expected timeframes, while also supporting quality outcomes by reducing pressure on processing teams. Since this work began, Centralised Services processing queues reduced by 42 percent between April and June 2026, which has contributed to a significant improvement in timeliness during this period. While further improvement is needed, these early results show that the changes are helping us provide a more timely service.				
New measure	The average score for client satisfaction for those receiving a Jobseeker benefit will be no less than (Disclosure 1 and Note 6)	7.5	8.3	✓
The standard was significantly exceeded. This measure is drawn from MSD's Heartbeat survey and is a subset of the broader Client experience: Overall service score KPI (see page 26). The result reflects the positive experiences reported by job seekers. Enhanced case management and increased engagement with clients continue to support a more personalised and positive service experience, which is reflected in the measure result.				
New measure	The average score for clients receiving a Jobseeker benefit for their awareness of their obligations will be no less than (Disclosure 1)	4.5	4.8	✓
This measure is also a KPI (see page 21).				

2024/25 Actual	Measure	2025/26		
		Standard	Actual	Status
Improving employment outcomes				
16,911	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 (Notes 1, 2, 3 and 7)	17,000	20,910	✓
The standard was significantly exceeded. This measure is a subset of the broader 'employment interventions' included in the overarching measure for this MCA (see page 101).				
63.1%	Of those clients who have exited a main benefit during the calendar year for reason of employment, following an employment outcomes intervention, the percentage that did not access a main benefit again in the following six months will be no less than (Notes 1, 2 and 7)	55%	66.3%	✓
The standard was significantly exceeded. This measure is a subset of the broader 'employment interventions' included in the overarching measure for this MCA (see page 101).				
16,414	The number of people supported through the Direct Career Service will be no less than (Disclosure 2 and Notes 8 and 9)	12,000	13,198	✓
3,943	The number of disabled people placed or supported to remain in open paid employment will be no fewer than (Note 10)	5,800	3,900	✗
The standard was not met. This was due to several factors, including the current labour market and wider economic conditions, the increasing complexity of support required by some clients, and legacy service design and funding assumptions for the current service.				
MSD is reviewing the current service design and associated funding through the Disability Employment Support Products Review. The intended outcome of the review is to procure a new service, or services, from 1 July 2027.				
99.1%	The percentage of Apprenticeship Boost payments processed accurately will be no less than (Note 11)	95%	99.2%	✓
Improving Work-Readiness Outcomes (Disclosure 3)				
3,777	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 (Notes 1, 2, 3 and 12)	2,500	7,465	✓
The standard was significantly exceeded. This measure is a subset of the broader 'employment interventions' included in the overarching measure for this MCA (see page 101).				
62.6%	Of those clients who have exited a main benefit during the calendar year for reason of employment, following a work-readiness intervention, the percentage that did not access a main benefit again in the following six months will be no less than (Disclosure 4 and Notes 1, 2 and 12)	55%	65.6%	✓
The standard was significantly exceeded. This measure is a subset of the broader 'employment interventions' included in the overarching measure for this MCA (see page 101).				
Jobs and Skills Hub				
3,273	The number of training interventions completed to support industry and major projects will be no less than (Disclosure 5 and Note 13)	2,835	3,083	✓
1,171	The number of project vacancies filled will be no less than (Disclosure 5 and Note 13)	950	1,540	✓
The standard was significantly exceeded. The impact of adapting the operating model has continued into 2025/26. Through this approach, the Jobs and Skills Hubs have built strong relationships with both large and small contractors, resulting in sustained and repeat business. These established employer partnerships increased the volume of vacancies available through the service and contributed to vacancy fill outcomes exceeding expectations.				

2024/25 Actual	Measure	2025/26		
		Standard	Actual	Status
Non-departmental output expenses				
He Poutama Rangatahi				
3,254	The number of young people supported by the He Poutama Rangatahi programme will be no less than (Disclosure 6)	2,500	3,650	
The standard was significantly exceeded. Providers have developed strong referral pathways for rangatahi into the programme. Many He Poutama Rangatahi programmes were well developed with strengthened existing referral pathways from MSD, other agencies (such as Oranga Tamariki) and local communities, helped to maximise enrolments. As initial start-up costs had already been incurred, funding allowed for increased enrolments.				
Pacific employment and training programmes				
64.8%	The percentage of participants who achieve an improvement in their employment outcome, and have retained or improved that outcome for at least 90 days, will be no less than (Note 14)	70%	87.0%	
The standard was significantly exceeded. Pacific employment and training programmes was introduced as a new training support programme in 2024/25. During the first year, many providers required additional time to establish their programmes and begin working with their initial cohorts. The 2025/26 results reflect the improvements providers made based on lessons from the first year, as well as the longer period available to provide applicants with the pastoral support needed to transition into employment.				
New measure	Complete the service design and procurement of providers for the Alo Vaka employment programme by 30 June 2026 (Disclosure 7 and Note 15)	Achieved	Achieved	
The service design and procurement was completed in 2025/26. The service providers will commence delivery of this programme in 2026/27.				

Disclosure 1: These measures were added to provide further performance information on this category.

Disclosure 2: The standard was reduced to reflect the expiration of the time-limited expansion funding received through Budget 2023.

Disclosure 3: The 2024/25 measure regarding conducting a Rapid Appraisal of the two new test Vocational Rehabilitation Services was removed as it was time-limited to 30 June 2025, and the time-limited funding has expired.

Disclosure 4: The standard was reduced to align with the related overarching and employment outcomes intervention measures in this MCA.

Disclosure 5: The standards were increased to reflect expected activity across the Hubs that are in place for 2025/26.

Disclosure 6: The wording of this measure has been adjusted for clarity.

Disclosure 7: This measure was added to this category to cover the transfer of the Alo Vaka programme funding from the Ministry of Business, Innovation and Employment to MSD on 1 January 2026. This deliverable-based measure was chosen to reflect the first stage of implementing the refreshed programme for 2025/26, with outcome-based measurement added for 2026/27 once it is fully operational.

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

Note 2: For these measures, clients will appear multiple times if they exit a main benefit multiple times and have been assessed for pre-exit activity each time. 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. This is to show a full financial year result for these measures.

Note 3: These measures reflect 'exits from a main benefit for reasons of employment, following an employment intervention'. These measures do not include employment case management and are a subset of the broader 'exits into work' numbers reported in MSD's Benefit Fact Sheet on our website.

Note 4: For these measures 'Benefit entitlement assessment' refers to working-age main and supplementary benefits that MSD provides, such as Jobseeker Support and Accommodation Supplement.

Note 5: 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.

Note 6: This measure is a question from MSD's Heartbeat survey which is provided to clients immediately following an engagement with MSD. It relates to their experience of the overall service they received on the day of their engagement and uses a score scale ranging from 0 (not at all positive) to 10 (completely positive). The average score is based on all responses to this question from the cohort of clients who are receiving a Jobseeker benefit at the time of their engagement with MSD.

Note 7: Employment outcomes intervention refers to vacancy placements and some employment products and programmes.

Note 8: 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 9: This measure counts the number of Direct Career Service appointments people have attended throughout the year.

Note 10: Open employment is where people with and without 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 11: Apprenticeship Boost provides subsidies to employers of eligible apprentices to help keep them employed and training towards their qualifications and to incentivise employers to take on new apprentices. This is a cross-Vote initiative with Vote Tertiary Education. The policy regarding the initiative is led by the Ministry of Education, and the administration of the scheme is led by MSD. Accuracy measures the percentage of payments that are processed correctly.

Note 12: Work-readiness intervention refers to an external service that helps remove barriers to a client or partner to become ready for work.

Note 13: Jobs and Skills Hubs are a recruitment and training facilitation service to support New Zealand's construction and infrastructure sectors.

Note 14: This measure relates to programmes funded through the Pacific Employment Action Plan fund. An improvement in a participant's employment outcome can include obtaining more secure employment or leadership roles and moving into a high-growth or sustainable sector. The intent of the programmes is to work with participants to sustain their improved outcome.

Note 15: Alo Vaka supports Pacific Jobseeker Support recipients who have extensive barriers preventing them from employment to build the skills required to overcome these barriers, and transition them into meaningful, sustainable employment.

The following information is provided for context:

	2024/25	2025/26
Overarching measures		
Number of people exiting a main benefit into work	80,772	86,544
Departmental output expenses		
Administering income support		
Number of benefit entitlement assessments sampled	4,950	5,584
Estimated number of benefit entitlement assessments processed	8,951,514	9,721,485
Number of surveys completed by Jobseeker benefit clients	N/A	41,627
Survey response rate	N/A	5.6%
Improving employment outcomes		
Number of participants in employment programmes and products (Disclosure 1)	151,804	137,532
Number of Apprenticeship Boost payments sampled	3,001	3,236
Improving Work-Readiness Outcomes		
Number of participants in work-readiness programmes (Disclosure 1)	25,092	59,478
Non-departmental output expenses		
Pacific employment and training programmes		
Number of new participants of programmes funded through the Pacific Employment Action Plan fund	N/A	424

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

Disclosure 1: Due to improvements in the coding of employment initiatives in 2025/26, some programmes (such as the Digital Suite) have been reclassified as work-readiness programmes. As a result, participant counts have shifted between the employment programmes and products and work-readiness categories, which has contributed to the changes in each category compared with 2024/25.

Financial information

2024/25 Actual \$000	Financial performance (Figures are GST exclusive)	2025/26		
		Budgeted \$000	Revised \$000	Actual \$000
	Departmental Output Expenses			
	Revenue from Crown			
445,539	Administering Income Support	433,068	433,186	433,186
447,095	Improving Employment Outcomes	563,520	563,950	563,950
10,212	Improving Employment Outcomes to Support People Impacted by Extreme Weather Events	-	-	-
142,730	Improving Work Readiness Outcomes	116,514	116,514	116,514
8,755	Jobs and Skills Hubs	7,054	7,054	7,054
	Revenue from Departmental			
16	Administering Income Support	1,600	1,958	63
	Revenue from Others			
5,887	Administering Income Support	2,000	2,789	3,509
1,060,234	Total Revenue	1,123,756	1,125,451	1,124,276
1,057,965	Total Expense	1,123,756	1,125,451	1,110,080
2,269	Net Surplus/(Deficit)	-	-	14,196

2024/25 Actual \$000	Financial performance (Figures are GST exclusive)	2025/26		
		Budgeted \$000	Revised \$000	Actual \$000
	Non-Departmental Output Expenses			
41,871	He Poutama Rangatahi	33,368	33,368	29,280
15,881	Māori Trades and Training Programmes	-	-	-
2,396	Pacific Employment and Training Programmes	2,396	4,691	4,752
	Non-Departmental Other Expenses			
26,571	Flexi-Wage Employment Assistance	-	-	-
86,719	Total Expense	35,764	38,059	34,032

Multi-Category 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.

What is intended to be achieved with this appropriation: This appropriation is intended to promote the use of a positive youth development approach to help support young people across Aotearoa New Zealand to improve their outcomes so that they are better able to succeed in, contribute to and enjoy life.



Achieved 4 out of 4 performance measures

This appropriation contains one departmental output and one non-departmental output expenses categories.

Departmental Output Expenses:

Administering Youth Development

Scope of appropriation: 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.

What is intended to be achieved with this appropriation: This category is intended to champion positive youth development as an approach to support young people across Aotearoa New Zealand to improve their outcomes and to increase the accessibility of quality positive youth development services.

Non-Departmental Output Expenses:

Delivering Youth Development

Scope of appropriation: This category is limited to purchasing youth development outcomes.

What is intended to be achieved with this appropriation: This category is intended to achieve an improvement in the outcomes 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

2024/25 Actual	Measure	2025/26		
		Standard	Actual	Status
Overarching measure				
86.5%	The percentage of participants who report they have seen an improvement in their outcomes through participation in a Ministry of Youth Development (MYD) funded programme or service will be no less than (Note 1)	85%	93.4%	
Departmental output expenses				
Administering youth development (Disclosure 1)				
95.3%	The percentage of partners reporting that partnering with MYD was a 'good' or 'very good' experience will be no less than (Disclosure 2 and Note 2)	80%	98.2%	
This measure is also a KPI (see page 24).				
Non-departmental output expenses				
Delivering youth development				
86.4%	The percentage of participants who report they have seen an improvement in their youth development outcomes through participation in MYD-funded youth development programmes or services will be no less than (Notes 1 and 3)	85%	93.7%	
The standard was significantly exceeded. This reflects MYD's investment in early intervention and prevention programmes, which help participants build confidence, and communication, leadership and coping skills. These programmes also help participants make positive connections and relationships.				
88.6%	The percentage of participants who report they have improved their preparedness for the future work environment through participation in MYD-funded youth enterprise programmes or services will be no less than (Notes 1 and 3)	85%	91.7%	

Disclosure 1: The 2024/25 measure regarding the percentage of total funding for youth development opportunities targeted at young people from the priority cohorts was removed as all MYD-funded programmes and services prioritise young people based on their youth development needs.

Disclosure 2: The previous measures regarding provider and partner experiences with MYD have been combined to better reflect partnering for youth development as part of MSD's strategic shift Kotahitanga – Partnering for greater impact. The methodology of the survey has not materially changed. The 2024/25 result presented against the measure is for the previous provider measure.

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: Data for this measure is collected through an annual survey of partners. Partners include all MYD-funded providers and all Partnership Fund partners. The ratings are: 'very bad', 'bad', 'neither bad nor good', 'good' or 'very good'.

Note 3: These measures are a subset of the overarching measure, with one specifically focused on youth development outcomes and the second focused on youth enterprise outcomes.

The following information is provided for context:

	2024/25	2025/26
Departmental output expenses		
Administering youth development		
Number of partners surveyed (Disclosure 1)	127	115
Partner survey response rate (Disclosure 1)	100%	99.0%
Non-departmental output expenses		
Delivering youth development (Note 1)		
Number of participants surveyed (Disclosure 2)	69,899	28,259
Participant feedback survey response rate	33.0%	45.3%

Disclosure 1: The 2024/25 results presented in this table relate to the previous MYD-funded provider only measure. From 2025/26 onwards, results combine both providers and partner funders.

Disclosure 2: In 2025/26, a further 1,124 participant survey responses relating to 2024/25 funded opportunities were received and incorporated into the 2025/26 reported results.

Note 1: This contextual information outlines the totals for all funded opportunities. The number of providers and opportunities funded will fluctuate based on how MYD responds to community needs and/or changing priorities. In 2025/26, MYD shifted its funding approach to prioritise higher-value, outcome-driven early intervention and prevention programmes. Increased investment in longer-term, more intensive engagement with young people and community-based programmes resulted in a reduction in both the number of funded opportunities and the number of participants surveyed compared with previous years.

Financial information

2024/25 Actual \$000	Financial performance (Figures are GST exclusive)	2025/26		
		Budgeted \$000	Revised \$000	Actual \$000
	Departmental Output Expenses			
	Revenue from Crown			
6,112	Administering Youth Development	3,690	3,790	3,790
	Revenue from Departmental			
193	Administering Youth Development	192	192	192
6,305	Total Revenue	3,882	3,982	3,982
5,881	Total Expense	3,882	3,982	3,811
424	Net Surplus/(Deficit)	-	-	171

2024/25 Actual \$000	Financial performance (Figures are GST exclusive)	2025/26		
		Budgeted \$000	Revised \$000	Actual \$000
	Non-Departmental Output Expenses			
17,413	Delivering Youth Development	14,599	13,099	12,371
17,413	Total Expense	14,599	13,099	12,371

Multi-Category Appropriation: Redress for Abuse in Care

Appropriation Minister: Minister for Social Development and Employment.

Overarching purpose statement: The single overarching purpose of this appropriation is to enable the Government's response to redress recommendations made by the Royal Commission of Inquiry into Abuse in Care.

What is intended to be achieved with this appropriation: This appropriation is intended to enable the Government's response to redress recommendations made by the Royal Commission of Inquiry into Abuse in Care.



Achieved 3 out of 4 performance measures

This appropriation contains one departmental output expenses, one non-departmental output expenses and one non-departmental other expenses categories.

Departmental Output Expenses:

Delivering redress for abuse in care

Scope of appropriation: This category is limited to responding to, designing, implementing and delivering redress for abuse in care.

What is intended to be achieved with this appropriation: This category is intended to design and deliver a well-functioning redress system.

Non-Departmental Output Expenses:

Support Services

Scope of appropriation: This category is limited to providing third party support services to people who report experiencing abuse in state care.

What is intended to be achieved with this appropriation: This category is intended to provide support to people who report experiencing abuse in care.

Non-Departmental Other Expenses:

Redress Payments

Scope of appropriation: This category is limited to providing financial redress to people who experienced abuse in state care.

What is intended to be achieved with this appropriation: This category is intended to provide consistent and timely payments to people who have experienced abuse in care.

Performance information

2024/25 Actual	Measure	2025/26		
		Standard	Actual	Status
Overarching measure				
1,129	The number of assessments completed during the year will be no less than (Disclosure 1)	1,300	1,527	✓
The standard was significantly exceeded. Over the last few years Historic Claims has expanded its workforce to increase claims assessment capacity. These staff are now fully trained and contributing to assessing claims. Historic Claims will continue to strengthen its capability and capacity in order to deliver against an increased 2026/27 standard of 1,700 assessments.				
Departmental output expenses				
Delivering redress for abuse in care				
97.4%	The percentage of claimants who receive a settlement offer within three months following their decision to choose a rapid payment will be no less than (Note 1)	95%	97.3%	✓
89.9%	The percentage of claimants who report they agree or strongly agree that they felt respected in their interaction with Historic Claims, and that their options were clearly communicated to them, will be no less than (Note 2)	80%	89.5%	✓
The standard was significantly exceeded. Feedback from claimants continues to indicate high levels of satisfaction with the respectful interactions and clear communication provided by our staff.				
Non-departmental output expenses				
Support Services				
New measure	The percentage of people who engaged with Te Huarahi ki te Oranga and reported they were satisfied with the support they received will be no less than (Disclosure 2 and Note 3)	80%	77.8%	✗
The standard was not met. However, most respondents reported positive experiences, while the remaining responses were neutral. We have worked closely with providers to help claimants understand the purpose of the survey before it is distributed, and we will continue this work to improve participation rates moving forward.				
This was the first year the measure was reported, and the development and implementation of the survey took longer than anticipated. As a result, only six months of data was available for reporting in 2025/26. In 2026/27, a full year of data will be available, enabling a more comprehensive assessment of performance.				
Non-departmental other expenses				
Redress Payments				
An exemption from performance reporting was granted under section 15D(2)(b)(ii) of the Public Finance Act 1989.				

Disclosure 1: The standard was increased to reflect additional funding received.

Disclosure 2: This measure was added to provide performance information for this new category established in 2025/26. Measuring satisfaction with support services was chosen as the most appropriate type of measure to cover the intention of the funding.

Note 1: In October 2022, Joint Ministers agreed to a high-level Crown framework to give eligible claimants a rapid payment option, as opposed to an individualised assessment, to enable more timely resolution of claims. This was initially focused on elderly or terminally ill survivors. Following the successful rollout of the new system, from early February 2023 rapid payments were extended to all eligible claimants, starting with the oldest open claims.

Note 2: 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 also 'agree', 'strongly agree', or 'neither agree nor disagree' that their options were clearly communicated to them.

Note 3: Te Huarahi ki te Oranga is a wrap-around support service, delivered by a non-government organisation, that works with claimants and their families to access supports they need while they go through the claims process. The service uses a navigation delivery model to work alongside claimants in the community and assist them to access other services and/or agencies to achieve their self-directed goals.

The following information is provided for context:

	2024/25	2025/26
Departmental output expenses		
Claims		
Number of claims received	1,741	2,863
Number of claims closed (Note 1)	1,035	1,512
Number of claims in process (as at the end of June)	3,764	5,089
Satisfaction with Historic Claims Survey		
Number of claimants surveyed	262	646
Survey response rate	41.6%	19.2%
Non-departmental output expenses		
Number of Te Huarahi ki te Oranga service users surveyed (Note 2)	N/A	34
Survey response rate	N/A	26.5%

Note 1: This refers to the number of claims that have been closed (for example, settled), whereas the measure regarding the number of assessments completed refers to the initial assessments of claims by MSD.

Note 2: Te Huarahi ki te Oranga currently operates in a limited geographic area – Auckland and the lower North Island (from Wellington to Palmerston North).

Financial information

2024/25 Actual \$000	Financial performance (Figures are GST exclusive)	2025/26		
		Budgeted \$000	Revised \$000	Actual \$000
	Departmental Output Expenses			
	Revenue from Crown			
3,081	Delivering Redress for Abuse in Care	24,184	30,106	30,106
3,081	Total Revenue	24,184	30,106	30,106
159	Total Expense	24,184	30,106	22,586
2,922	Net Surplus/(Deficit)	-	-	7,520

2024/25 Actual \$000	Financial performance (Figures are GST exclusive)	2025/26		
		Budgeted \$000	Revised \$000	Actual \$000
	Non-Departmental Output Expenses			
-	Support Services	12,150	14,150	1,276
	Non-Departmental Other Expenses			
35,008	Redress Payments	39,000	63,599	213,658
35,008	Total Expense	51,150	77,749	214,934

Vote Disability Support Services

Multi-Category Appropriation: Disability Support Services

Appropriation Minister: Minister for Disability Issues.

Overarching purpose statement: The single overarching purpose of this appropriation is to deliver disability support services to improve outcomes for eligible disabled people by providing care or support, promoting their inclusion and participation in society and their independence.

What is intended to be achieved with this appropriation: This appropriation is intended to support eligible disabled people and their families to access services and supports that assist them in their daily life in line with their assessed needs.



Achieved 8 out of 15 performance measures

Overall, we have seen a positive performance trend compared to the previous financial year with measures trending towards meeting the standard.

These results occurred in the context of DSS focusing on stabilising the disability support system and strengthening how we operate. This included supporting our sector providers to navigate the significant pace and scale of change to improve the quality and sustainability of services for disabled people.

This appropriation contains four departmental output expenses, six non-departmental output expenses and one non-departmental other expenses categories.

Departmental Output Expenses:

Administering and developing disability support services

Scope of appropriation: This category is limited to commissioning and monitoring service provision; providing data and evidence services to better inform government decision-making; providing policy advice and support to the Minister to discharge their portfolio responsibilities.

What is intended to be achieved with this appropriation: This category is intended to support effective commissioning and monitoring of service provision, and high-quality data and policy advice to support decision-making and delivery of services.

Connecting people with supports and communities

Scope of appropriation: This category is limited to the provision, purchase and support of services connecting disabled people and their families to supports, information, and their communities.

What is intended to be achieved with this appropriation: This category is intended to support access for eligible disabled people and their families to supports and information, and improve connections with their communities, through connecting them to services.

Employing family members to provide care

Scope of appropriation: This category is limited to the employment of specific family members to provide care to their disabled relatives.

What is intended to be achieved with this appropriation: This category is intended to support employment of specifically-determined family members to provide care to their disabled relatives.

Sustainability of Disability Support Services

Scope of appropriation: This category is limited to activities supporting the sustainability of Disability Support Services.

What is intended to be achieved with this appropriation: This category is intended to improve delivery of disability support services for disabled people and their families.

Non-Departmental Output Expenses:

Community-based support services

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

What is intended to be achieved with this appropriation: This category is intended to support eligible community-based disabled people by providing 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 of appropriation: This category is limited to the provision and purchase of services and supports that connect disabled people and their families to supports and information and strengthen their communities.

What is intended to be achieved with this appropriation: This category is intended to support disabled people and their families to access services and information by investing in services including Needs Assessment and Service Coordination agencies (NASCs), and Disability Information and Advice Services (DIAS).

Early intervention support services

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

What is intended to be achieved with this appropriation: This category is intended to support eligible disabled people who are early in life, in life transitions, or in vulnerable situations by providing early intervention supports.

Environmental support services

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

What is intended to be achieved with this appropriation: This category is intended to support eligible disabled people to access services and supports that minimise the negative impacts of environmental barriers.

High and Complex Framework Services

Scope of appropriation: This category is limited to forensic service coordination and services for people with an intellectual disability who are in hospital or community secure or supervised care.

What is intended to be achieved with this appropriation: This category is intended to enable disabled people who receive forensic service coordination and secure or supervised disability services under the High and Complex Framework to access safe and appropriate supports.

Residential-based support services

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

What is intended to be achieved with this appropriation: This category is intended to provide the delivery of supports and services to eligible, disabled people to meet their individual residential care and support needs.

Non-Departmental Other Expenses:

Community Capacity and Support

Scope of appropriation: This category is limited to providing financial assistance towards building capacity and support within client communities.

What is intended to be achieved with this appropriation: This category is intended to achieve increased participation and contribution by disabled people by supporting the networks that disabled people and their families belong to through the use of community grants and community-led solutions.

Performance information

2024/25 Actual	Measure	2025/26		
		Standard	Actual	Status
Overarching measure				
55,982	The number of eligible people accessing disability support services will be no less than (Notes 1 and 2)	50,000	56,888	✓
The standard was significantly exceeded. Demand for disability support services continues to grow year on year. The greatest growth in people accessing disability support services is for people with autism or with an intellectual impairment as their principal impairment.				
Departmental output expenses				
Administering and developing disability support services				
Achieved	The Disability Support Services procurement process is in line with government standards	Achieved	Achieved	✓
This measure considers whether the departmental expenditure procurement process is aligned with the Government Procurement Rules.				
89.9%	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%	94.3%	✗
The standard was nearly met, with the result 0.7 percentage points below standard. This is an improvement of 4.4 percentage points from 2024/25. We received 88 complaints regarding the quality of services delivered by DSS, of which 83 received either a resolution notification or a progress update within 20 working days.				
To improve performance, DSS has strengthened internal capacity, processes, and systems to better support its quality assurance functions. This will remain a focus area, supported by the introduction of a new quality management system.				
Connecting people with supports and communities				
Enabling Good Lives (EGL) Christchurch Demonstration				
Not Achieved	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 3)	Achieved	Not achieved	✗
The standard was nearly met. The result was 97.7 percent, which was 0.3 percentage points below the standard.				
Mana Whaikaha				
100%	Access to Enabling Good Lives budgets (Personal Budget, Early Investment and Immediate Resourcing) and support are made available to 99% of eligible disabled people who submit an Enabling Good Lives Proposal to Mana Whaikaha (Note 1)	99%	100%	✓
Employing family members to provide care				
New measure	The percentage of specifically-determined family members providing care to their disabled relatives who are paid accurately and within the timeframes outlined in their employment agreement with MSD will be no less than (Disclosure 1)	100%	Not yet reported	N/A
Payments have not started while MSD is finalising employment agreements with the family carers deemed to be MSD employees by the Supreme Court in December 2025. This means MSD is not yet directly paying their remuneration while these discussions take place. The family carers continue to be paid through the existing arrangement. This result does not impact their regular payments for the care they provide. We expect that we will be able to report on this measure in MSD's Annual Report 2027.				

2024/25 Actual	Measure	2025/26		
		Standard	Actual	Status
Sustainability of Disability Support Services				
Achieved	The Disability Support Services Taskforce is on track to implement the recommendations of the 2024 Independent Review of Disability Support Services	Achieved	Achieved	✔
We have responded to all recommendations of the 2024 Independent Review of Disability Support Services that DSS was responsible for. Work to embed changes into business as usual is ongoing. Insights from this work will be used to inform future actions and improvements to the disability support system. Please refer to the KPI on page 25 for more information on the progress made.				
Non-departmental output expenses				
Community-based support services (Note 4)				
34.0%	The percentage of self-directed funding arrangements to improve the person's choice, control and flexibility (eg, Choices in Community Living, Individualised Funding, Enhanced Individualised Funding, Flexible Disability Supports, Personal Budgets and Enabling Good Lives) within the total client population is greater than or equal to	10%	33.9%	✔
The standard was significantly exceeded. This result reflects ongoing trends within DSS in which disabled people and their families are seeking greater choice and control over their lives and the supports available to them.				
Connecting and strengthening disability communities				
41.6%	All new eligible Disability Support Services clients are assessed within 20 days of referral is equal to or greater than	80%	50.0%	✘
74.7%	All new Disability Support Services clients assessed as being eligible for MSD funded support are provided with their support options within 20 days of assessment is equal to or greater than (Note 1)	85%	73.2%	✘
The standard for these two measures was not met. Needs Assessment Co-ordination Services' (NASC) assessment timeliness has increased by 8.4 percentage points compared with 2024/25, while the timeliness of providing support options decreased by 1.5 percentage points. Demand for disability support services, assessments for those with complex needs, and the introduction of significant system changes such as the implementation of the Community Group Home/Global Pricing model and changes to the Assessment Allocation and Flexible Funding model are contributing factors that have impacted on NASC workloads and the timeliness of assessments and service provision. NASCs continue to prioritise access to services for people with the highest needs. DSS monitors NASCs' performance and provides guidance as system changes continue to be embedded. Actions to support improved timeliness have included a one-off surge funding for additional recruitment, staff training and additional work hours. The benefits of these actions are expected to take time to be reflected in performance results.				
Early intervention support services				
63.2%	The percentage of those disabled people who were referred to a Behaviour Support Treatment Programme and completed it is greater than or equal to (Note 5)	75%	71.2%	✘
The standard was not met, but the result has improved by 8 percentage points from 2024/25. DSS and the provider have implemented improvements through updated contractual arrangements and service specifications that has enabled the provider to adopt a more flexible approach to responding to requests for service. This flexibility is enabling the provider to see more people earlier, which is contributing to reduced waitlists for Behavioural Support Services. Further work through planned commissioning processes will help to better understand service delivery and strengthen behaviour support services across New Zealand.				

2024/25 Actual	Measure	2025/26		
		Standard	Actual	Status
Environmental support services				
74.4%	The percentage of equipment available and supplied from Disability Support Services' standardised equipment list to ensure value for money is greater than or equal to (Note 6)	75%	74.1%	✗
The standard was nearly met, with the result 0.9 percentage points below standard. This is consistent with the 2024/25 result. Variable wait times for support equipment can occur as it is dependent on the availability of suitable equipment from suppliers. Providers continue to work with equipment suppliers to source equipment in a timely way while meeting the value for money intention of the standardised list.				
High and Complex Framework Services				
New measure	The percentage of compulsory care recipients under the High and Complex Framework who have their needs reviewed within six months will be no less than (Disclosure 2)	100%	100%	✓
New measure	The percentage of people who receive support under High and Complex Framework whose support is compliant with the United Nations Convention on the Rights of the Child treaty will be no less than (Disclosure 2 and Note 7)	100%	100%	✓
Residential-based support services				
86.3%	Percentage of Disability Support Service 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 (Note 8)	77%	86.7%	✓

The standard was significantly exceeded. This result reflects ongoing trends within DSS in which disabled people and their families choose to access community-based options before considering Residential Care.

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: This measure was added to provide performance information for this new category established in 2025/26. Measuring the accuracy and timeliness of paying specifically-determined family members providing care to their disabled relatives was chosen as the most appropriate type of measure to cover the intention of the funding.

Disclosure 2: These measures were added to provide performance information for this new category established in 2025/26. Measuring compliance with legislative requirements and operational standards were chosen as the most appropriate types of measures to cover the intention of the funding.

Note 1: 'Eligible people' refers to those who have been assessed as meeting the eligibility criteria for accessing supports provided or funded by DSS. An assessment is undertaken through an EGL site, which are managed by DSS, or a Needs Assessment and Service Coordination (NASC) agency, which are funded by DSS. DSS-funded support services are generally available to people who have a physical, intellectual or sensory disability, autism (or a combination of these) which:

- is likely to continue for a minimum six months, and
- results in a reduction of independent function to the extent that ongoing support is required.

Note 2: This measure counts the number of distinct clients who access disability support services via NASC agencies or an EGL site at a point in time. It excludes environmental support services and child development services.

Note 3: ORS-verified students aged 14 plus are eligible for the EGL approach in the Christchurch demonstration.

Note 4: Community-based supports are services provided to eligible people who need support in their home and community. Services may include person-directed budgets, supported independent living, personal care, household management, respite care and carer support.

Note 5: The Behaviour Support Treatment Programme funded by DSS supports disabled people and their families to find positive ways to communicate and find strategies to reduce or eliminate harmful behaviour.

Note 6: DSS's equipment is categorised into three bands. The standardised equipment list refers to 'band one' equipment which includes items that:

- meet the needs of a wide range and large number of disabled people, and
- are low cost (generally less than \$1,000 excl. GST), and
- are durable and the majority can be reissued in a cost-effective way.

Note 7: This measure assesses any instances reported to DSS by its providers of non-compliance with the relevant articles in the United Nations Convention on the Rights of the Child treaty. This includes Article 37, which relates to protecting children from cruel treatment and improper detention, including the right to be separated from detained adults while noting New Zealand's reservation to Article 37(c).

Note 8: This measure assesses the percentage of clients choosing community-based support services within the total client population, instead of choosing residential-based support services. Residential-based supports relate to the provision of 24-hour support in a home-like setting at levels necessary for a safe and satisfying home life. One of these is the Community Group Homes support service, which includes a range of supports assisting people to live in their community.

The following information is provided for context (Note 1):

	2024/25	2025/26
Non-departmental output expenses		
Community-based support services		
Number of disabled people receiving self-directed funding (as at the end of June) (Note 2)	19,008	19,257
Connecting and strengthening disability communities		
Number of new or returning disability support service clients	6,500	5,790
Early intervention support services		
Number of disabled people referred to Behaviour Support Treatment Programmes	2,329	2,206
High and Complex Framework Services		
Number of compulsory care recipients under the High and Complex Framework	N/A	215
Residential-based support services		
Number of disabled people in mainstream residential service (as at the end of June)	7,665	7,550

Note 1: The table contains data related to specific measures and is not a complete view of the DSS population.

Note 2: This includes all flexibly funded services except Carer Support.

Financial information (Note 1)

2024/25 Actual \$000	Financial performance (Figures are GST exclusive)	2025/26		
		Budgeted \$000	Revised \$000	Actual \$000
	Departmental Output Expenses			
	Revenue from Crown			
	- Administering and Developing Disability Support Services	37,876	26,498	26,498
	- Connecting People with Supports and Communities	14,713	14,050	14,050
	- Employing Family Members to Provide Care	-	170	170
	- Sustainability of Disability Support Services	3,500	10,805	10,805
	- Total Revenue	56,089	51,523	51,523
	- Total Expense	56,089	51,523	41,724
	- Net Surplus/(Deficit)	-	-	9,799

2024/25 Actual \$000	Financial performance (Figures are GST exclusive)	2025/26		
		Budgeted \$000	Revised \$000	Actual \$000
	Non-Departmental Output Expenses			
	- Community-based Support Services	1,002,556	953,889	937,660
	- Connecting and Strengthening Disability Communities	78,345	63,947	65,865
	- Early Intervention Support Services	58,981	63,399	68,663
	- Environmental Support Services	265,501	241,495	231,233
	- High and Complex Framework Services	95,249	94,960	86,193
	- Residential-based Support Services	1,210,207	1,085,015	1,031,687
	Non-Departmental Other Expenses			
	- Community Capacity and Support	2,250	2,654	94
	- Total Expense	2,713,089	2,505,359	2,421,395

Note 1: In 2024/25, funding for disability support services was in Vote Social Development. The 2024/25 actuals for the comparable appropriation, Supporting Tāngata Whaikaha Māori and Disabled People MCA, can be found on pages 195 to 196.

Organisational health and capability

Te hauora ā-whakahaere me te mātau

Our organisation

On 30 June 2026, MSD had 9,292 employees, which equates to 9,175 permanent and fixed-term full-time equivalents. The organisation is arranged into an Office of the Chief Executive, managed by a Director, and eight business groups:

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

Each business group is led by a Deputy Chief Executive (DCE), who is a member of our Leadership Team (LT). There is also a DCE Social Sector System Leadership. The DCE Social Sector System Leadership role operates from within MSD but functions as a sector asset, working in close partnership with Social Sector Chief Executives, senior leaders and Ministers.

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.

Our organisational values

Our four values represent and underpin who we are and what we stand for (see Figure 6). 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 6: Our organisational values



Manaaki

We care about the wellbeing and success of people



Whānau

We are inclusive and build a sense of belonging and place



Mahi tahi

We work together, making a difference for communities



Tika me te pono

We do the right thing with integrity

Governance and risk management

Governance

Our primary governance body is LT, comprising our Chief Executive and DCEs. LT's focus is on setting MSD's strategic direction, driving organisational performance, overseeing organisational risk and assurance, managing finances, and leading a positive culture to support quality decision making.

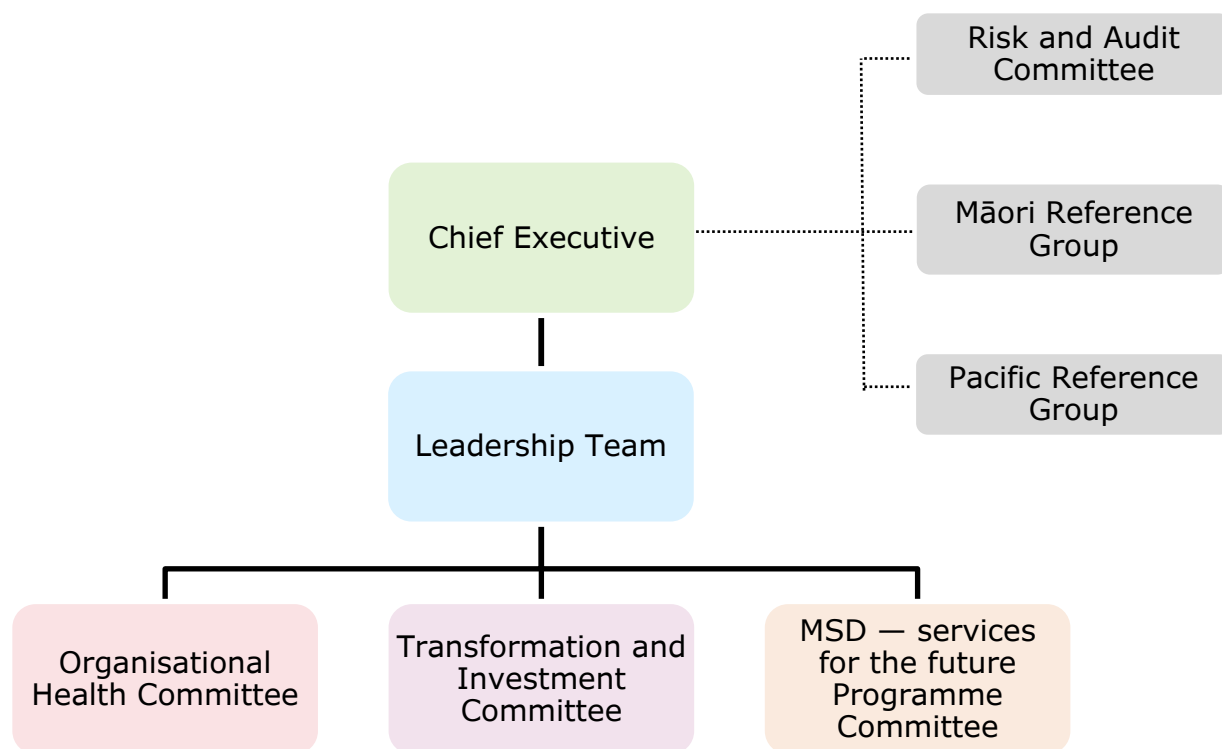
LT is supported by three other committees (see Figure 7). These are led by members of LT and include senior leaders from across the organisation:

- 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, future focused, strategic and effective, and that our organisational performance supports delivery to our purpose and outcomes.
- The MSD – services for the future Programme Committee provides programme governance to MSD's organisational transformation programme. Internal membership is complemented by four independent external advisors who bring experience in significant transformation programmes from the public and private sector.

Our Chief Executive is supported by three independent advisory groups (see Figure 7) consisting of external members:

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

Figure 7: MSD governance framework



MSD Risk Management Policy

MSD's 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, which aligns to International Standards and best practice.

The policy ensures that:

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

This policy is supported by a dedicated team of risk and assurance specialists who partner with leaders and teams to identify, assess, manage and monitor risks. Through independent assurance activities and reporting, the team provides confidence that key controls are effective and that risk management practices are operating consistently across the organisation.

Our people

Our People Strategy – He Korowai Manaaki

Our People Strategy 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 the strategy 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:

- 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
- client and whānau-centred – we design our work, roles and organisation to deliver for our clients and whānau
- positive experience – our people have an experience at work that enables them to reach their potential and be included, safe and well.

Workplace relations

We continue to work with our union partners. We regularly engage with the Public Service Association (PSA) as the main union that represents our employees. We engage with PSA delegates at local and national levels. We also work constructively with the Work and Income Northland Staff (WINS) union, which has members based in Northland.

In our 2025 bargaining, we combined the Staff and National Office Ministry of Youth Development collective agreements to form one Staff collective agreement. We are currently bargaining for the Staff collective agreement, which expires on 31 July 2026. We are preparing to bargain for the WINS and Manager and Senior Specialists collective agreements that expire on 30 August 2026 and 30 September 2026, respectively. The three collective agreements combined cover Employment Agreements for around 56 percent of our workforce.

Public Service Transformation

In May 2026, as part of Budget 2026, the Government announced a programme of reforms to transform the public service to streamline how it is organised, accelerate digital transformation, strengthen leadership and talent, and improve efficiency and productivity. Ministers have asked Chief Executives to work through what this will mean for their organisation. This work is underway at MSD.

Other reporting requirements

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

As at end of June 2026, MSD was responsible for 83 Treaty settlement commitments across 13 deeds of settlement. Most relate to relationship redress (44) and property-related redress (32). The remaining relate to bespoke arrangements (7).

Figure 8: The status of our Treaty settlement commitments



MSD remains focused on the timely and effective delivery of its settlement commitments while continuing to strengthen trusted partnerships with iwi. Alongside this, MSD is building the capability, systems, and practices needed to support effective settlement implementation and contribute to enduring Māori–Crown relationships.

Improving post-settlement practice and iwi partnerships

MSD is working alongside other Crown agencies to strengthen He Korowai Whakamana in response to the Auditor-General's 2025 report. This work supports strong, trusted relationships with iwi and strengthens how the Crown collectively delivers on its settlement commitments.

It includes improving how agencies work together, strengthening follow-through on commitments, and supporting a more consistent 'one Crown' approach. This contributes to the outcomes sought through Te Pae Tata by strengthening MSD's capability to work in partnership with Māori and supporting a more coordinated approach to Māori–Crown relations.

Within this broader programme of work, MSD is taking a pragmatic approach to its role, with a focus on delivering commitments in partnership with iwi, being a consistent and trusted partner, and addressing system barriers where possible. MSD is strengthening organisational capability to support effective engagement, partnership practice and the delivery of Māori–Crown commitments.

Through its experience implementing settlement commitments alongside iwi, MSD has gained valuable insights into the factors that support successful partnerships and delivery. The findings of the Auditor-General's report have reinforced these insights and are helping to inform ongoing improvements across policy, practice and organisational capability.

Māori–Crown relations capability

MSD is making steady progress in strengthening Māori–Crown relations, with its approach aligning closely with the intent of the Whāinga Amorangi framework.

In 2025/26, our staff participated in 1,573 formal cultural development opportunities to build confidence in understanding how Te Tiriti o Waitangi/The Treaty of Waitangi responsibilities apply to their work, and to feel encouraged and supported to engage with Māori and Māori perspectives.

In parallel, MSD is strengthening organisational capability, with increased emphasis on leadership, governance, and sustained relationships with iwi and Māori partners. This is evident in strengthened partnerships with iwi, including through MSD's accord and post-settlement commitments, and ongoing interest from iwi to work alongside MSD. These relationships include the Te Hiku Accord, He Tapuae – the Tūhoe Service Management Plan, Pou Tangata and the Koiora Accord.

Māori language planning – te reo Māori revitalisation

Our commitment to building te reo capability aligns with the Crown Strategy for Māori Language revitalisation (Maihi Karauna), Te Ture mō Te Reo Māori 2016, and is a key expression of Te Pae Tata – MSD's Māori Strategy and Action Plan, which prioritises strengthening Māori capability, identity and outcomes across MSD.

Building te reo capability within MSD helps deliver inclusive and culturally responsive services. MSD has Māori language plans that support staff to learn, use and promote te reo Māori. We are seeing encouraging signs of progress across MSD with staff continuing to upskill, increasing depth of capability across the workforce.

MSD also continues to promote a range of learning resources to deepen understanding of te reo and tikanga, supported by initiatives such as the Kimihia mobile app. Together, these efforts are helping to advance the intent of Te Pae Tata.

Equal employment opportunities

We are committed to equal employment opportunities (EEO) to help ensure our workforce reflects the diversity, values and communities we serve.

Our EEO Policy sets out the principles, expectations and responsibilities that support EEO across MSD. It provides guidance for managers, staff and Human Resources on creating and maintaining an inclusive and equitable workplace.

The policy forms part of MSD's broader Equality and Diversity Commitment and aligns with the Public Service Commission's Model Standards. These standards outline minimum expectations for public service organisations and employees to help foster safe, inclusive and positive workplaces.

EEO principles are embedded across our people policies, practices and guidelines. We continue to monitor gender and ethnicity representation, as well as pay gap data, to help ensure our employment practices remain fair, equitable and aligned with our commitments.

As part of a broader review of our human resources policies, we have recently reviewed the EEO Policy and Recruitment Policy to ensure they are aligned and reflect current best practice. The updated policies will be published in the coming months.

Workforce diversity

It is critical for our success as an organisation that our workforce reflects the diversity of the people we serve.

Our workforce diversity programme

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

Our workforce diversity direction is in line with the Public Service Papa Pounamu work programme and the Public Service Workforce Diversity Strategy.

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 39 employee-led networks that promote and support the goals and needs of our employees and play an integral part in helping MSD to build a more inclusive workforce.

Demographic profile and pay gaps

MSD continues to focus on mitigating any gender and ethnic pay gaps. In part, we are doing this by addressing occupational division, which is over- or under-representation of some ethnic groups 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.

Alongside this work, we continued our commitment to fostering a diverse, equitable and inclusive workplace. During 2025/26, we focused on strengthening the systems, leadership practices and workforce initiatives that support these outcomes. This includes leadership development, mentoring, talent and succession planning, employee experience insights, cultural capability initiatives, employee-led networks and workforce diversity reporting.

In August 2025, the Public Service Commission introduced a revised Workforce Diversity approach for the Public Service. MSD has focused on reviewing and aligning its approach in preparation for a refreshed Workforce Diversity Action Plan for 2026/27.

Ethnicity

Māori, Pacific and Asian representation in MSD is higher than in the New Zealand public service as a whole, 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. The tables below outline the ethnicity demographic across the organisation and in senior management, and the ethnicity pay gap.

To address occupational division, we are working on the remaining gender and ethnic pay gaps following the objectives outlined in previous Public Service Commission guidance. These include:

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

Ethnicity demographic and pay gap data as at end of June 2026

Ethnicity demographic across the organisation

	Headcount	European	Māori	Pacific	Asian	MELAA (Note 1)	Other	Unknown/ Undisclosed
Total	9,292	4,648	2,049	1,556	1,622	168	69	988
% of entire workforce with ethnicity disclosed (Note 2)	89.4%	56.0%	24.7%	18.7%	19.5%	2.0%	0.8%	10.6%

Ethnicity demographic breakdown of senior management (Note 3)

	Headcount	European	Māori	Pacific	Asian	MELAA (Note 1)	Other	Unknown/ Undisclosed
Total	87	70	14	9	2	0	0	7
% of senior management with ethnicity disclosed (Note 2)	92.0%	87.5%	17.5%	11.3%	2.5%	0%	0%	8.0%

Ethnicity pay gap

	Māori	Pacific	Asian	MELAA (Note 1)
Pay gap mean (%)	4.4%	11.4%	11.9%	1.4%
Pay gap median (%)	0.9%	6.2%	8.4%	0%

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 to reduce the gender pay gap. As at end of June 2026, the pay gap has decreased to 7.7 percent, compared to last year (8.9 percent), and down from 15.1 percent in 2018. The tables below outline 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.

Gender demographic and pay gap data as at end of June 2026

Gender demographic across the organisation

	Male	Female	Another Gender	Unknown/ Undisclosed
Total	2,883	6,356	31	22
% of entire workforce (Note 1)	31.0%	68.4%	0.3%	0.2%

Gender demographic breakdown of senior management (Note 2)

	Male	Female	Another Gender	Unknown/ Undisclosed
Total	31	56	0	0
% of senior management	35.6%	64.4%	0%	0%

Gender pay gap

	Female
Pay gap mean (%)	7.7%
Pay gap median (%)	0.2%

Note 1: The percentage breakdown does not add up to 100 percent due to rounding.

Note 2: Senior management is exclusive of the Chief Executive as they are not employed by MSD.

Disability

While MSD does not require people to declare their disability status, we are in the process of identifying options to improve the data we do have. This will help us to identify possible improvements in support and decision-making for employees with disabilities.

Health and safety

Governance and management

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

HSSW governance includes the oversight provided by LT in their capacity as Officers under the HSWA. The Organisational Health Committee (OHC) ensures the systems, capabilities and infrastructure are aligned and support performance. Pā Harakeke is the steering group that oversees MSD's workplace wellbeing activities.

The National Health and Safety Committee (NHSC) helps provide strategic oversight of MSD's health and safety system. At the workplace level, health and safety committees provide local oversight of health and safety matters and have representation on NHSC.

Foundational frameworks, policies and guidelines are a key element of MSD's Safety Management System and are embedded across the organisation to support our people to deliver services to the public in a way that keeps everyone safe.

LT receives regular detailed reports that give them the information required to discharge their due diligence duties as Officers under the HSWA and to confirm that MSD is meeting the PSRs.

HSSW policies are reviewed and refreshed at least every three years. The review process provides opportunities for staff feedback, and policies are confirmed in consultation with NHSC before sign off by either the DCE Organisational Assurance and Communication or OHC.

Worker participation

Our biennial Worker Participation Agreement (WPA) is signed between MSD, the PSA and the Work and Income Northland Staff union (WINS). The WPA outlines the parties' commitment to ensuring the health and safety of all workers.

It also provides direction on the election of Health and Safety Representatives (HSRs) and the establishment of workplace health and safety committees. HSRs receive training to fulfil their roles under the HSWA and provide valued input into risk assessments, policies and processes. HSRs receive an annual allowance to acknowledge the value of their role at MSD.

Staff wellbeing

Our people's wellbeing is a priority for MSD. MSD's workplace wellbeing approach and work programme is overseen by a steering group so we can continue to mature in this area. After extensive engagement, MSD's Workplace Wellbeing Strategy and Action Plan are both in the final stages of being finalised for implementation in 2026.

Initiatives focused on supporting our people include mental health and wellbeing education, access to health benefits (such as flu vaccinations and vision care), peer support networks, and confidential counselling and coaching services.

MSD recognises work-related psychosocial risks as a critical risk and has dedicated roles providing strategic leadership to support workplace wellbeing. They focus on:

- supporting MSD to identify the aspects of work that affect mental wellbeing
- applying industry best practice risk management approaches to mitigate identified work-related psychosocial risks
- building the awareness and capability of managers and all staff to support and enable mental wellbeing for our people.

Staff safety and security

Delivering face-to-face services carries risk to the physical and mental wellbeing of our people. As the frequency of client engagement increases, staff are reporting corresponding increases in the number and severity of incidents, both in person and by telephone.

Our security approach is designed around the principles of detect, deter, delay and respond. These principles underpin all operational decisions affecting staff safety. All reported security incidents are investigated, using the Incident Cause Analysis Method for more serious events. Improvements to our controls are recorded, tracked and reported on. Lessons from these incidents inform continuous improvement through training, awareness and guidance.

Our wider security eco-system is being continually reviewed to ensure it remains fit for purpose and operating as intended. This includes reviewing security settings following the completion of the multi-year programme of work to install an enhanced security layout in all our service centres. This has led to reconfiguring our security guard model. These changes have been rigorously tested and are closely monitored to confirm that the end-to-end security system continues to operate as expected.

MSD undertakes regular threat and risk assessments as a result of serious incident investigations and analysis of emerging trends to ensure we are doing what is reasonably practicable to keep staff safe.

Our HSSW training framework is designed to build the safety and security capabilities of all staff and people leaders. It equips staff with core security knowledge and awareness, reinforced through regular mandatory safety drills that draw on the experience of actual security events.

Each year a sample of sites is audited for the Accident Compensation Corporation's (ACC) Accredited Employers Programme (AEP). The AEP is supplemented by our own assurance processes, which include in-person reviews of the safety and security systems and processes for all workplaces.

Carbon Neutral Government Programme reporting

Outlined below are details of MSD's emissions profile, along with an overview of the ongoing reduction initiatives within the Carbon Neutral Government Programme (CNGP).

The 2030 emissions target is a reduction of 42 percent against the 2018/19 baseline of 6,337.3 tCO₂e. To date, we have reduced emissions by 40 percent.

This year, our emissions are 17 percent less than in 2024/25.

Emissions profile

The table below provides a profile of our emissions by scope and source.

We have reduced emissions across our key sources of emissions including electricity, air travel and associated accommodation, and vehicle fleet. Electricity consumption has decreased slightly, but the decrease in emissions from electricity is mainly due to highly renewable generation of grid electricity in 2024/25, and consequentially a lower electricity factor (that is, the emissions produced from each unit of electricity used).

The emissions profile for 2025/26 includes emissions associated with Disability Support Services. Our emissions reporting aligns with central agency CNGP guidance and our 2025/26 data has been independently verified by Opportune NZ.

MSD emissions profile

Emission source	Emissions (tCO ₂ e)
Scope 1 – direct greenhouse gas emissions	
Natural gas	28.2
Petrol use	349.8
Refrigerants	6.2
Scope 2 – electricity indirect greenhouse gas emissions	
Electricity	673.9
Electricity – offsite EV charging	1.1
Scope 3 – other indirect greenhouse gas emissions	
Domestic accommodation	63.1
Domestic air travel	629.0
Electricity transmission and distribution losses	85.4
Freight	25.5
International accommodation	0.9
International air travel	9.5
Mileage	32.2
Natural gas transmission and distribution losses	0.8
Paper use	0.1
Postage	1,076.7
Purchased goods	188.2
Rental vehicles	28.2
Taxi	15.4
Waste to landfill	372.4
Water supply/wastewater	47.5
Working from home	154.8
Total emissions under CNGP mandatory reporting (Note 1)	3,789.0

Note 1: The figures for the individual emission sources do not match the total emissions due to rounding.

Additional non-mandatory emissions are:

- staff commuting at 9,282.0 tCO₂e
- purchased goods and services at 2,669.9 tCO₂e.

These are approximate emission values calculated using New Zealand spend-based emission factors. Under the CNGP non-mandatory emissions are not included in the scope of our reduction targets as we have less direct control over them.

Reduction initiatives

In 2025/26, our key emission reduction initiatives focused on three of our top emission categories under mandatory CNGP reporting:

- Energy: our energy efficiency initiatives included optimising the use of computer equipment, and the use of Heating Ventilation and Air Conditioning (HVAC)

systems. Energy consumption and emissions decreased during the year, driven by ongoing optimisation of the property portfolio and collaboration with landlords to improve building performance. We are planning for the further installation of rooftop solar power.

- Fleet: optimisation continues through a reduction in fleet size, transition to hybrid and electric vehicles and redistribution of EVs to increase utilisation.
- Postage: a postal preferences initiative has resulted in 129,000 more clients now receiving their letters online rather than via post. However, both the number of MSD clients and the average emissions per letter have increased since last year, resulting in an overall increase in emissions from this source.

Asset performance

MSD manages about \$253 million of departmental assets, made up of property, plant and equipment, and intangible assets.

For property assets, MSD considers our three leased properties (56 The Terrace, Wellington, 65 Main Highway, Ellerslie, and 270 High Street, Lower Hutt) to be critical assets due to these locations housing most of MSD's back-office functions, and due to the difficulty of finding replacement sites within a timeframe that would not disrupt business continuity.

For IT assets, some critical assets include MyMSD, SWIFTT, SAL and the Information Analysis Platform, as these are needed to deliver a sustainable welfare system.

The performance measures in the tables below 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.

Property assets



Achieved 3 out of 4 performance measures

MSD's property assets provide 148,689m² of floor space across the country to deliver our work. We also manage an additional 21,511m² for other agencies under shared service agreements. This is a net reduction of 3,575m² over the last 12 months.

This space is key to engaging face to face with clients and includes 122 service centres. It also includes contact centres, regional offices and our National Office. Most space is leased; MSD only owns five buildings. Within the leased spaces, our assets are primarily fit-outs, furniture and security equipment.

To improve workspace efficiency, MSD reduced its Wellington regional service delivery footprint during 2025/26. This was achieved by moving some teams in together to more fit-for-purpose spaces. During 2025/26, Tokoroa relocated from temporary premises to a permanent site, and Kaitia has also relocated temporarily due to flooding.

In May 2025, the service centre site in Tāmaki (Auckland) was destroyed by fire. Services are being provided from a temporary service centre established at Ellerslie whilst the original Tāmaki site is rebuilt.

Property asset performance measures

Actual 2024/25	Measure	Indicator	Standard 2025/26	Actual 2025/26	Status
21.1m ² /WP	Work-point density – MSD frontline sites (m ² /work point) (Disclosure 1 and Notes 1 and 2)	Utilisation	<28m ² /WP	20.7m ² /WP	✓
10.8m ² /WP	Work-point density – MSD Client Services Support (m ² /work point) (Disclosure 1 and Notes 1 and 2)	Utilisation	<15m ² /WP	10.3m ² /WP	✓
15.6m ² /WP	Work-point density – MSD Regional Offices and Training Suites (m ² /work point) (Disclosure 1 and Notes 1 and 2)	Utilisation	<15m ² /WP	15.9m ² /WP	✗
We have a work programme in place to optimise Regional Office and Training Suite workspaces, and this programme has now been extended for a further year to progress additional opportunities to reduce our footprint and improve utilisation. During this transition period, some fluctuation in performance is expected as workspace changes are implemented and embedded.					
12.6m ² /WP	Work-point density – MSD National Office (m ² /work point) (Disclosure 1 and Note 1)	Utilisation	<15m ² /WP	12.3m ² /WP	✓

Disclosure 1: MSD's Asset Management Plan and the associated asset performance measures are reviewed annually to ensure they remain appropriate and aligned to government standards. For 2025/26, the two performance measures regarding site security layouts were removed as they related to our national programme of work to enhance security in all our service centres (Service Centres for the Future), which concluded in 2024/25.

Note 1: Work-point density is the area (m²) of building floor space per work point (for example, desk).

Note 2: MSD frontline sites are our service centres, and MSD Client Services Support sites are our contact centres, centralised services, and integrity and debt teams.

Technology assets



Achieved 3 out of 3 performance measures

MSD's technology environment continues to support core service delivery, with high availability maintained across key client-facing systems, many of which operate on a near-continuous basis. It remains a complex environment, with several systems operating on ageing platforms. We remain focused on achieving the balance between maintaining existing services and ensuring their security and resilience, while progressing longer-term improvements. Over the past year, we have delivered targeted system and service improvements, including upgrades to core platforms to ensure they remain supported, secure and capable of meeting operational demand.

Progress has also been made in strengthening MSD's information and collaboration environment. The implementation of Microsoft SharePoint as an enterprise document management platform continues, improving how information is managed, shared and secured across the organisation. This shift will support the retirement of legacy systems over time, reducing duplication and simplifying the overall technology landscape.

MSD has also progressed the safe and secure introduction of Microsoft Copilot to staff, enabling the responsible use of generative AI to support productivity and day-to-day work. This has required careful management of information security, privacy and access controls to ensure organisational and client data is protected, while enabling staff to benefit from emerging technologies.

Collectively, these initiatives are contributing to a more sustainable, secure and modern technology environment, while continuing to support reliable service delivery and MSD's broader transformation programme.

The section 'Enabling MSD people to help New Zealanders' on pages 57 to 58 outlines more detail on our work progressing our transformation programme, MSD – services for the future.

Technology asset performance measures

Technology assets – Intangible – internally generated software

Actual 2024/25	Measure	Indicator	Standard 2025/26	Actual 2025/26	Status
99.8%	Proportion of time that core applications are available for use (Note 1)	Availability	>99%	99.7%	✓
93.2%	Proportion of Tier 1 software applications that are in support (Note 2)	Condition	>80%	95.2%	✓

Technology assets – Computer equipment

Actual 2024/25	Measure	Indicator	Standard 2025/26	Actual 2025/26	Status
70.3%	Proportion of IT disk storage capacity utilised	Utilisation	<85%	65.0%	✓

Note 1: Core applications are defined as systems for which any issue is treated as a high priority and resolved accordingly.

Note 2: Tier 1 applications are those that are critical for the support of our services. In-support applications are supported by vendors through regular upgrades, and defect and security fixes. This is vital for enabling them to function correctly and securely.

Delegation of functions or powers under the Public Service Act 2020

During 2025/26, 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 and wellbeing of the children we interact with by helping staff identify and respond to suspected abuse or neglect.

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 Children's Act.

Ninety-eight percent of staff have completed updated child protection training, which was rolled out across the organisation in 2024/25. Staff continue to have access to the ChildSAFE learning module and supporting guidance.

Child protection learning is also embedded within MSD's induction programmes, ensuring new staff understand their responsibilities for identifying and responding to concerns about child safety and wellbeing.

We also released new Family Violence learning during 2025/26, which reinforces child protection responsibilities, including understanding the impacts of trauma, adverse childhood experiences, and recognising and responding to child abuse and neglect. As at end of June 2026, 48 percent of assigned staff had completed the Family Violence learning, which is scheduled to be finished by July 2028.

We have also updated internal guidance on information sharing under the Family Violence Act 2018 and the Oranga Tamariki Act 1989, to better support staff who identify suspected abuse to report it to the appropriate authorities.

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 evidence compliance with the Children's Act, which also includes having their own child protection policy.

A review of our Child Protection Policy and supporting material is currently underway.

Oranga Tamariki System Action Plan

The Oranga Tamariki System Action Plan sets out the steps that the Chief Executives of the children's agencies (including MSD), under the Children's Act 2014, will take in working together to improve the wellbeing of the core populations of interest to Oranga Tamariki – Ministry for Children.

The Action Plan covers areas such as:

- protecting children and young people from abuse and neglect
- improving their physical and mental health, and cultural and emotional wellbeing
- improving their education and training needs, and participation in recreation and cultural services
- strengthening their connection to their families and increasing their participation in decision making about them
- improving their social and economic wellbeing.

The Chief Executives of the children's agencies must jointly report to the Plan Minister (Minister for Children) on the progress of the Action Plan (currently every six months). These implementation reports are publicly available on the Oranga Tamariki website at: www.orangatamarikiactionplan.govt.nz/.

The areas of focus for the 2025/26 Action Plan include improvements to health services, education support, housing transitions, and data and information sharing between agencies. Further information can be found here: www.orangatamarikiactionplan.govt.nz/news/reintroducing-the-oranga-tamariki-system-action-plan/.

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 Response Coordinators in each region to provide support to all staff and liaise with local support services.

The following table 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 2025/26 of the type specified under section 49 of the Victims' Rights Act.

Services provided to victims by third parties

Services	Description
Child Advocates	This service provides direct support to tamariki, prioritising their voices and needs after experiencing or witnessing family violence, and is available in seven Women's Refuge sites across New Zealand.
Court Support Services	This service provides support to victims/survivors of sexual violence going through the criminal justice system. It focuses on the victim's/survivor's mental, spiritual, and physical support needs and is provided once a charge is filed. The service supports victims/survivors before, during and after the court process.
Disability Abuse Prevention and Response Service	This service aims to: • prevent issues of abuse and neglect happening • identify issues when they do happen • respond to issues that are found • develop and improve disability supports.
Elder Abuse Response Services	This service addresses the immediate needs of older people experiencing (or at risk of) abuse and neglect. It includes a 24-hour helpline and a separate helpline for providers of the service to access legal information and support for clients.
Family Violence Response Services	This service supports individuals and/or families/whānau and their children who have been affected by family violence. This includes counselling, social work and social work type support, programmes and Kaupapa Māori 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 (Are You Ok, Change is Possible) • Shine Helpline • Safe to Talk – Kōrero mai ka ora • Elder Abuse Helpline.
Integrated Community-led Responses	MSD supports NGOs to participate in Safety Assessment Meetings with Police and other local agencies. These meetings provide a place for government agencies and local organisations to work together to identify and provide appropriate support to people affected by family violence.
Kaupapa Māori Sexual Violence Services	A small number of providers are funded to deliver Kaupapa Māori sexual violence support services in accordance with Kaupapa Māori/Tangata Whenua Mahi Tūkino service guidelines.
Services for Male Survivors of Sexual Abuse	This service provides support to male survivors of sexual abuse to enable long-term recovery and wellbeing through peer support. Support is provided to male survivors and their families/whānau/support network through case planning, information and peer support services.
Sexual Harm Crisis Support Services	This service provides specialist sexual harm crisis interventions grounded in an indigenous worldview. The service includes advocacy and support, emergency face-to-face sessions, crisis social work support and crisis counselling.
Whānau Resilience	This service aims to create strong and resilient communities where whānau are supported to live violence free and eliminate violence for the next generation. It offers long-term support for people experiencing and using violence.
Women's Refuge	This is a nationwide service which provides support for women and children experiencing violence. This can include safe housing, safety planning, advocacy, counselling and programmes.

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. MSD must report annually on the following information specified by the Privacy Commissioner.

The NEET (Not in Education, Employment or Training) Service was established in 2012 within the Youth Service. Referrals to youth providers are generated by a statistical predictive modelling tool that identifies school leavers who may be at risk of long-term unemployment. In the 2024/25 period, a system update removed Oranga Tamariki data from the referral model. The model considers the age of a young person, whether their parents are on a benefit, 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 in the NEET Service is voluntary. The young person is contacted by a Youth Service provider, but they can choose not to enrol, and they can stop participating at any time without any effect on their other entitlements. NEET clients can remain in the Youth Service for up to three years from the age of 16.

More information about the service and how the model works can be found on the Youth Service website: www.msd.govt.nz/about-msd-and-our-work/work-programmes/initiatives/phrae/youth-service-for-neet.html.

Young people can also refer themselves to NEET for support through a Youth Service provider. The AISA does not directly apply to these 'walk-ins', but their needs are calculated using a simplified version of the predictive model.

This is the ninth report on this AISA covering the period 1 July 2025 to 30 June 2026.

AISA 1 July 2025 to 30 June 2026

Scale

2024/25	2025/26
45,266 Total MoE records received by MSD	43,821
N/A Total Oranga Tamariki records used by MSD (Note 1)	N/A
44,301 Unique students for whom profiles were created	42,944
44,301 • Of these, profiles that included information from MoE	42,944
N/A • Of these, profiles that included information from Oranga Tamariki (Note 1)	N/A
38,400 • Of these, profiles that included information from MSD	34,444
4,426 'Most at risk' individuals identified and referred to external provider	3,199
4,426 • Of these, profiles that included information from MoE	3,199
N/A • Of these, profiles that included information from Oranga Tamariki (Note 1)	N/A
4,342 • Of these, profiles that included information from MSD	3,187

Benefits

2024/25		2025/26
2,834	Active enrolment count of NEET clients at the beginning of the period	1,753
583	Of these, enrolments from referrals using information combined to make a single profile (Note 2)	371
2,152	Count of NEET clients enrolled during period	2,906
603	Of these, enrolments from referrals using information combined to make a single profile (Note 2)	620
1,753	Active enrolment count of NEET clients at the end of the period	2,385
371	Of these, enrolments from referrals using information combined to make a single profile (Note 2)	443
3,433	Individuals re-engaged in education, training or work-based learning (Note 3)	3,211
633	Of these, outcomes from referrals using information combined to make a single profile	541

Note 1: In 2024/25, there was an update of the model that removed Oranga Tamariki data from the model. See further detail under 'Effectiveness of information sharing under the agreement' on page 142.

Note 2: The number of enrolments includes some:

- 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 3: 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

In 2025/26, the Youth Service NEET programme expanded and could support more young people. As a result, the referral threshold was increased from the top 5 percent to the top 10 percent of school leavers identified by the model as most likely to need support.

It was observed that 7.4 percent of school leavers were referred to providers in the reporting period. This figure aligns with our expectations, particularly when taking into account the higher referral threshold and the usual seasonal trends.

The analytic model used in the referral process was evaluated in late 2024. Its performance was measured using 'lift', which compares the model's predictions to those of random selection. At the 5 percent referral threshold, the model achieved a lift of 4.3. This means it was 4.3 times more effective than random selection in identifying young people who needed support. At the 10 percent threshold the lift was 3.7. While slightly lower, this was expected because a larger group of young people was being selected.

The model is monitored every two weeks by analysts, and no issues with the data inputs or results were identified during the reporting period. Its outputs are securely stored in the MSD data warehouse, and no security issues were found during the reporting year.

Effectiveness of information sharing under the agreement

Although the AISA has not changed this year the NEET model no longer uses Oranga Tamariki data to identify school leaver referrals to youth providers. Analysis of this change indicates no significant impact to the accuracy and quality of NEET reporting.

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 2025/26 about any alleged interference with privacy under the agreement.

Amendments to the AISA since the last report

There have been no amendments to the AISA since the last 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 with 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. The tables below outline the operation of this AISA in 2025/26.

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.

Operation of the AISA 1 July 2025 to 30 June 2026

Scale

2024/25	2025/26
13,137,093 Individuals whose travel movements were shared (Note 1)	13,903,585
141,128 Positive matches with MSD clients (Note 2)	139,986

Benefits

2024/25	2025/26
116,776 Notices of adverse action sent (Note 3), either prior to suspension ('prior notice') or at time of suspension ('immediate')	124,134
3,768 Immediate suspension of benefit where debt established (Note 4)	3,540
46,797 Immediate suspension of benefit where no debt established (Note 4)	48,653
11,217 Suspension of benefit following prior notice that resulted in debt (Note 4)	23,741

2024/25		2025/26
15,739	Suspension of benefit following prior notice that resulted in no debt (Note 4)	11,568
14	Challenges received (Note 5)	12
14	Challenges upheld	12
\$4,550,866	Total debt established as a result of information shared under the AISA	\$6,758,874
Actions taken to recover debt owed by former clients who arrive back in New Zealand		
263	Notices of adverse action sent	293
0	Challenges received	0
0	Challenges upheld	0
39	Debtors under arrangement to pay	44
\$298,767	Balance owed under arrangement	\$749,033
\$54,249	Total debt recovered	\$51,557

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. The challenges represent less than 1 percent of the overall match programme.

Effectiveness of information sharing under the agreement

During the 2025/26 reporting period, travel movements increased by 5.8 percent compared to the previous year. This figure indicates that travel movements growth has accelerated when compared to the 2024/2025 increase of 3.9 percent. However, positive matches with MSD clients have experienced a slight decline compared to the last financial year, decreasing by less than 1 percent in the reporting period.

Increases in the number of benefit suspensions resulting in debt were observed during the period, due to the reprioritisation of resources required to manage activity across MSD's information sharing programmes. This resulted in increased debt establishment, and subsequent levels of debt under arrangement.

Number of complaints

During 2025/26, there were seven complaints about the match (compared to 18 complaints during 2024/25). All seven related to incorrect matches. All were investigated and corrected, and no privacy breaches were identified.

Assurance

The most recent assurance review assessing the operation of the AISA was conducted in September 2024, covering 1 July 2022 to 30 June 2024. Several key findings and recommendations were identified in the review, but none materially impact the operation of the AISA.

The forthcoming assurance review will examine the period from 1 July 2024 to 30 June 2026, with results to be published in the MSD Annual Report 2027.

Amendments to the AISA

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

Financial Statements

Ngā Tauākī Pūtea

Departmental Financial Statements

Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2026

Actual 2025 \$000		Notes	Actual 2026 \$000	Unaudited Budget 2026 \$000	Unaudited Forecast 2027 \$000
Revenue					
1,640,399	Revenue Crown		1,703,661	1,670,054	1,892,165
22,862	Revenue other	2	20,653	23,439	19,964
413	Gain on disposal of property, plant and equipment		780	-	-
1,663,674	Total revenue		1,725,094	1,693,493	1,912,129
Expenses					
855,035	Personnel costs	3	912,746	841,888	956,065
86,378	Depreciation and amortisation expenses	8, 9	72,836	76,790	72,440
16,177	Capital charge	4	17,910	18,598	19,456
673,385	Other operating expenses	5	681,398	756,217	864,168
131	Loss on non-fixed assets and foreign exchange		328	-	-
1,631,106	Total expenses		1,685,218	1,693,493	1,912,129
32,568	Net surplus/(deficit)		39,876	-	-
Other comprehensive revenue and expense					
	Item that will not be reclassified to net surplus/(deficit)				
(939)	Gain/(loss) on property revaluations	8	-	-	-
31,629	Total comprehensive revenue and expense		39,876	-	-

Explanations of major variances against the original 2025/26 budget are set out in Note 18. The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 30 June 2026

Actual 2025 \$000		Notes	Actual 2026 \$000	Unaudited Budget 2026 \$000	Unaudited Forecast 2027 \$000
Equity					
336,624	Taxpayers' funds	14	351,522	338,731	367,304
21,824	Property revaluation reserves	14	21,824	33,648	21,824
358,448	Total equity		373,346	372,379	389,128
Assets					
Current assets					
142,274	Cash and cash equivalents		105,588	166,502	164,527
8,023	Accounts receivable	6	3,111	566	3,111
31,565	Prepayments		37,516	21,397	37,515
176,717	Crown receivable	7	261,630	150,384	180,298
358,579	Total current assets		407,845	338,849	385,451
Non-current assets					
137,981	Property, plant and equipment	8	118,355	163,660	119,901
140,719	Software	9	135,060	146,363	132,405
278,700	Total non-current assets		253,415	310,023	252,306
637,279	Total assets		661,260	648,872	637,757
Liabilities					
Current liabilities					
112,684	Payables and accruals	10	132,886	135,180	132,884
29,508	Return of operating surplus	11	39,283	-	-
90,207	Employee entitlements	13	74,678	93,037	74,678
21,136	Provisions	12	15,208	22,367	15,208
253,535	Total current liabilities		262,055	250,584	222,770
Non-current liabilities					
25,296	Employee entitlements	13	25,859	25,909	25,859
25,296	Total non-current liabilities		25,859	25,909	25,859
278,831	Total liabilities		287,914	276,493	248,629
358,448	Net assets		373,346	372,379	389,128

Explanations of major variances against the original 2025/26 budget are set out in Note 18. The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the year ended 30 June 2026

Actual 2025 \$000	Notes	Actual 2026 \$000	Unaudited Budget 2026 \$000	Unaudited Forecast 2027 \$000
351,374	Balance at 1 July	358,448	356,327	373,346
32,568	Total comprehensive revenue and expense	39,876	-	-
	Owner transactions			
(29,508)	Return of operating surplus to the Crown	(39,283)	-	-
15,104	Capital injections	16,052	16,052	15,782
(10,151)	Capital withdrawal	(1,747)	-	-
(939)	Revaluation movement gain/(loss)	-	-	-
358,448	Balance at 30 June	373,346	372,379	389,128

Explanations of major variances against the original 2025/26 budget are set out in Note 18. The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the year ended 30 June 2026

Actual 2025 \$000	Notes	Actual 2026 \$000	Unaudited Budget 2026 \$000	Unaudited Forecast 2027 \$000
Cash flows from operating activities				
1,696,964	Receipts from Revenue Crown	1,618,748	1,649,026	1,973,497
20,012	Receipts from other revenue	22,884	23,439	19,965
(698,146)	Payments to suppliers	(675,540)	(756,217)	(864,170)
(860,081)	Payments to employees	(932,399)	(841,888)	(956,065)
(16,177)	Payments for capital charge	(17,910)	(18,598)	(19,456)
(12,268)	Goods and services tax (net)	9,506	-	-
130,304	Net cash flow from operating activities	25,289	55,762	153,771
Cash flows from investing activities				
649	Receipts from sale of property, plant and equipment	1,153	-	-
(24,233)	Purchase of property, plant and equipment	(8,067)	(33,555)	(27,105)
(34,351)	Purchase of software	(39,859)	(32,417)	(44,226)
(57,935)	Net cash flow from investing activities	(46,773)	(65,972)	(71,331)
Cash flows from financing activities				
15,104	Capital injections	16,052	16,052	15,782
(10,151)	Capital withdrawal from the Crown	(1,747)	-	-
(82,621)	Return of operating surplus	(29,507)	-	(39,283)
(77,668)	Net cash flow from financing activities	(15,202)	16,052	(23,501)
(5,299)	Net increase/(decrease) in cash	(36,686)	5,842	58,939
147,573	Cash at the beginning of the year	142,274	160,660	105,588
142,274	Cash at the end of the year	105,588	166,502	164,527

Explanations of major variances against the original 2025/26 budget are set out in Note 18. The accompanying notes form part of these financial statements.

Reconciliation of Net Surplus to Net Cash Flow from Operating Activities

Actual 2025 \$000		Actual 2026 \$000
32,568	Net surplus/(deficit)	39,876
	Add/(less) non-cash items	
32,341	Depreciation	27,333
54,037	Amortisation	45,503
86,378	Total non-cash items	72,836
	Add/(less) items classified as investing or financing activities	
(413)	Net (gains) on disposal property, plant and equipment	(780)
(413)	Total items classified as investing or financing activities	(780)
	Add/(less) working capital movements	
49,109	(Increase)/decrease in accounts receivable	(80,000)
(10,168)	(Increase)/decrease in prepayments	(5,951)
(22,496)	Increase/(decrease) in accounts payable	20,202
(2,830)	Increase/(decrease) in provision for employee entitlements	(15,529)
(1,231)	Increase/(decrease) in other provisions	(5,928)
12,384	Net movements in working capital items	(87,206)
	Add/(less) movements in non-current liabilities	
(613)	Increase/(decrease) in provision for employee entitlements	563
(613)	Net movements in non-current liabilities	563
130,304	Net cash inflow from operating activities	25,289

Statement of Commitments

As at 30 June 2026

Capital commitments

MSD has no capital commitments at balance date (2025: nil).

Non-cancellable operating lease commitments

MSD 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 MSD by any of its leasing arrangements.

Actual 2025 \$000		Actual 2026 \$000
	Operating commitments	
	The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:	
49,667	Not later than one year	52,003
142,687	Later than one year and not later than five years	144,903
87,817	Later than five years	73,974
280,171	Total non-cancellable operating lease commitments	270,880
280,171	Total commitments	270,880

Statement of Contingent Liabilities and Contingent Assets

As at 30 June 2026

Unquantifiable contingent liabilities

There are no unquantifiable contingent liabilities (2025: nil).

Quantifiable contingent liabilities

Actual 2025 \$000		Actual 2026 \$000
200	Personal grievances	185
1,542	Legal proceedings and disputes	765
1,742	Total contingent liabilities	950

Personal grievances

Personal grievances claims represent amounts claimed by employees for personal grievances cases.

Legal proceedings and disputes

Other claims comprise appeals and civil claims from clients and third parties in respect of claimed benefit entitlements and other disputes.

Contingent assets

MSD has no contingent assets (2025: nil).

Notes to the Financial Statements

For the year ended 30 June 2026

1. Statement of accounting policies

Reporting entity

The Ministry of Social Development (MSD) 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 MSD's operations includes the Public Finance Act 1989 (PFA), the Public Service Act 2020 and the Social Security Act 2018. MSD's ultimate parent is the New Zealand Crown.

For the year ended 30 June 2026, the financial statements include only the activities of MSD. Whaikaha – Ministry of Disabled People (Whaikaha) is excluded from the current year, as it ceased to be hosted within MSD with effect from 1 December 2024 and became a standalone government department.

Comparative information for the year ended 30 June 2025 includes Whaikaha's activities up to 30 November 2024.

MSD has also reported on Crown activities and trust monies that it administers in the non-departmental statements and schedules on pages 173 to 189.

MSD's primary objective is to provide services to the New Zealand public, including income support and superannuation services, employment support and services, disability support services, support for young people to gain relevant skills, housing support, designing and delivering community services in conjunction with others, and social policy advice. MSD does not operate to make a financial return.

MSD has designated itself as a public benefit entity (PBE) for the purposes of complying with generally accepted accounting practice (GAAP).

The financial statements of MSD are for the year ended 30 June 2026 and were approved for issue by the Chief Executive on 30 September 2026.

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 MSD have been prepared in accordance with the requirements of the PFA, which includes the requirements to comply with GAAP and Treasury Instructions.

The financial statements have been prepared in accordance with and comply with Tier 1 Public Benefit Entity (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), unless otherwise stated.

New or amended standards adopted

There were no new or amended Public Benefit Entity (PBE) Accounting Standards applied in the current year that had a material impact on these financial statements.

Other changes in accounting policies

There have been no changes to MSD's accounting policies since the date of the last audited financial statements.

Standards issued and not yet effective and not early adopted

2024 omnibus amendments to PBE standards – amendments to PBE IPSAS

This amendment clarifies the principles for classifying liabilities as current or non-current, including the assessment of whether an entity has a substantive right at the reporting date to defer settlement of a liability for at least 12 months after the reporting date. The amendments also provide additional guidance on classification of liabilities that are subject to borrowing covenants and introduce related disclosure requirements where compliance with covenants is required after the reporting date. The amendments are effective for accounting periods beginning on or after 1 January 2026. The Ministry has not applied these amendments and does not expect them to have a significant impact on its financial statements.

PBE conceptual framework update

The External Reporting Board has issued an updated Public Benefit Entity Conceptual Framework, which is mandatory for accounting periods beginning on or after 1 January 2028. The updated framework revises certain qualitative characteristics of financial information and definitions of elements in general purpose financial reports. The Ministry has not applied the updated framework and does not expect it to have a material impact on the recognition or measurement of transactions in the financial statements.

Amendments to XRB A2 Accounting Standards Framework

This amendment updates the definitions of "large" and "specified not-for-profit entity" to reflect changes to the Financial Reporting Act 2013. These amendments are effective for accounting periods beginning on or after 29 September 2025 and are not expected to have a material impact on the Ministry's financial statements.

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 into New Zealand dollars (the functional currency) using the spot exchange rate at the date of the transaction.

Any gains or losses from settling these transactions – or from converting foreign currency balances at the end of the financial year – are recorded in gains and losses.

Cash and cash equivalents

Cash and cash equivalents include cash in transit and deposits with banks. MSD 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

MSD is a public authority and, consequently, is exempt from income tax. No provision has been made for income tax.

Critical accounting estimates and assumptions

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions might differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

- Assessing the useful lives of property, plant and equipment (refer to Note 8) and software (refer to Note 9)
- Measuring long service leave and retirement leave – refer to Note 13.

Budget and forecast figures

Basis of the budget and forecast figures

The 2026 budget figures are for the year ended 30 June 2026 and were published in MSD's 2024/25 Annual Report as the unaudited forecast 2026 figures. They are consistent with MSD's best estimate financial forecast information submitted to the Treasury for the 2025 Budget Economic and Fiscal Update (BEFU).

The unaudited forecast 2027 figures are for the year ending 30 June 2027 and are consistent with the forecast information submitted to the Treasury for the 2026 Pre-election Economic and Fiscal Update Requirements (PREFU) for the year ending 30 June 2027.

The forecast financial statements have been prepared, as required by the PFA, to communicate forecast financial information for accountability purposes.

The budget and forecast figures are unaudited and have been prepared using the accounting policies adopted in preparing these financial statements.

The 30 June 2027 forecast figures have been prepared in accordance and comply with PBE FRS 42 Prospective Financial Statements.

The Chief Executive is responsible for the forecast financial statements, including the appropriateness of the assumptions underlying them and all other required disclosures.

Although MSD regularly updates its forecasts, updated forecast financial statements for the year ending 30 June 2027 will not be published.

Significant assumptions used in preparing the forecast financials

The forecast figures contained in these financial statements reflect MSD's purpose and activities and are based on assumptions about what may occur during the 2026/27 financial 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 August 2026, are as follows:

- MSD'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 50 percent of revenue as at the year ending 30 June 2027.
- Operating costs were based on historical experience and other factors that are believed to be reasonable in the circumstances and are MSD's best estimate of future costs that will be incurred.
- Land and buildings are not revalued.
- Estimated year-end information for 2025/26 was used as the opening position for the 2026/27 forecasts.

The actual financial results achieved for the year ending 30 June 2027 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 MSD'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 MSD can only incur expenses within the scope and limits of its appropriations. Revenue Crown is a non-exchange transaction.

The fair value of revenue from the Crown has been determined to be equivalent to the funding entitlement.

Other revenue

Sub-lease Rental Recoveries

Rental revenue under an operating sub-lease is recognised on a straight-line basis over the lease term.

Other Revenue

Other revenue includes recoveries from government agencies for the provision of corporate support and shared services. Major recipients include Oranga Tamariki - Ministry for Children, Whaikaha - Ministry of Disabled People, and the Social Investment Agency. Revenue is recognised based on agreed service arrangements.

Actual 2025 \$000		Actual 2026 \$000
1,846	Sub-lease rental recoveries	1,899
21,016	Other revenue	18,754
22,862	Total other revenue	20,653

3. Personnel costs

Salaries and wages

Salaries and wages are recognised as an expense as employees provide services.

Superannuation schemes

Defined Contribution Schemes

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 2025 \$000		Actual 2026 \$000
820,830	Salaries and wages	872,028
(5,435)	Increase/(decrease) in employee entitlements	7,743
8,256	Increase/(decrease) in restructuring and relocation costs	616
24,782	Contributions to defined superannuation contribution schemes	26,476
6,602	Other personnel expenses	5,883
855,035	Total personnel costs	912,746

4. Capital charge

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

MSD pays a capital charge to the Crown based on its equity as at 31 December and 30 June each year. The capital charge rate for the financial year ended 30 June 2026 was 5 percent (2025: 5 percent).

5. 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 2025 \$000		Notes	Actual 2026 \$000
996	Audit fees		1,221
-	Other services provided by the Audit Office		10
78,434	Rental, leasing and occupancy costs		76,608
55	Impairment loss on receivables		465
247,326	Employment support and subsidies		260,879
52,822	Office operating expenses		55,737
174,592	IT-related operating expenses		181,465
3,603	Travel expenses		3,384
33,659	Consultancy and contractors' fees	19	33,834
9,053	Professional fees		5,438
72,845	Other operating expenses		62,357
673,385	Total operating expenses		681,398

The Audit Office, on behalf of the Auditor-General, is the auditor of MSD's financial statements and service performance for the year ended 30 June 2026.

Audit fees cover the statutory annual audit under section 15 of the Public Audit Act 2001.

For the 2025/26 financial year, the assurance services provided in relation to the Service Centres Development procurement totalled \$9,625 (2025: nil).

6. Accounts receivable

Accounts receivable arise from exchange transactions and are recorded as the amount due, less an allowance for credit losses. MSD 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. Consideration is given to forward-looking factors specific to the debtors and economic environment.

Short-term receivables are written off when there is no reasonable expectation of recovery.

Actual 2025 \$000		Actual 2026 \$000
8,973	Gross receivables	4,087
(950)	(Less) allowance for credit losses	(976)
8,023	Accounts receivable	3,111

The expected credit loss rates for receivables as at 30 June 2026 and 30 June 2025 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.

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:

Aging profile of receivables

As at 30 June 2025				As at 30 June 2026		
Gross \$000	Impairment \$000	Net \$000	Ageing category	Gross \$000	Impairment \$000	Net \$000
6,848	-	6,848	Not past due	15	-	15
250	-	250	Past due 1-30 days	2,687	-	2,687
365	-	365	Past due 31-60 days	26	-	26
3	-	3	Past due 61-90 days	3	-	3
1,507	(950)	557	Past due >91 days	1,356	(976)	380
8,973	(950)	8,023		4,087	(976)	3,111

7. Crown receivable

Crown receivable represents cash not yet drawn down from the Treasury. The Crown receivable arises from non-exchange transactions.

Actual 2025 \$000		Actual 2026 \$000
176,717	Crown receivable	261,630
176,717	Total Crown receivable	261,630

8. 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 asset 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

A full valuation of land and buildings is conducted at least every three years to ensure the carrying amount does not differ materially from the fair value. At 30 June 2025, the carrying value of land and buildings was materially different from its fair value and on this basis a revaluation has been completed.

The carrying values of revalued items are assessed annually by Quotable Value Limited (QV) to determine whether they remain materially consistent with fair value. The most recent desktop valuation was performed with an effective valuation date of 30 April 2026. At 30 June 2026, the carrying value of land and buildings was not materially different from its fair value and on this basis a full revaluation has not been completed.

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 negative 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 MSD 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 asset 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 MSD 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%
Furniture and fittings (including leasehold improvements)	up to 18 years	>6%
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 is 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.

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 asset revaluation reserve for that class of asset. Where that results in a negative balance in the asset 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.

Estimating the fair value of land and buildings

Land

Land is valued at fair value using market-based evidence, reflecting 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

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.

	Land \$000	Buildings \$000	Furniture & Fittings \$000	Computer Equipment \$000	Motor Vehicles \$000	Plant & Equipment \$000	Work in Progress \$000	Total \$000
Cost or revaluation								
Balance as at 1 July 2024	7,757	18,219	187,794	54,461	14,838	8,075	34,276	325,420
Additions by purchase	-	-	2,000	-	-	-	22,245	24,245

	Land \$000	Buildings \$000	Furniture & Fittings \$000	Computer Equipment \$000	Motor Vehicles \$000	Plant & Equipment \$000	Work in Progress \$000	Total \$000
Revaluation increase/(decrease)	370	(2,368)	-	-	-	-		(1,998)
Transfers	-	-	35,413	158	357	3,370	(39,298)	-
Other asset movement	1	-	-	-	(1)	-	(12)	(12)
Disposals/Write-offs	-	-	(4,719)	(3,087)	(1,439)	(3)	-	(9,248)
Balance as at 30 June 2025	8,128	15,851	220,488	51,532	13,755	11,442	17,211	338,407
Balance as at 1 July 2025	8,128	15,851	220,488	51,532	13,755	11,442	17,211	338,407
Additions by purchase	-	-	-	-	-	-	8,583	8,583
Transfers	-	576	10,785	3,875	720	(5)	(15,951)	-
Other asset movement	-	7,565	(3,873)	(5)	-	(3,692)	(511)	(516)
Disposals/Write-offs	-	-	(2,190)	(5,744)	(2,254)	(101)	-	(10,289)
Balance as at 30 June 2026	8,128	23,992	225,210	49,658	12,221	7,644	9,332	336,185
Accumulated depreciation and impairment losses								
Balance as at 1 July 2024	-	271	115,337	47,556	9,921	5,065	-	178,150
Depreciation expense	-	1,252	24,170	3,433	1,901	1,585	-	32,341
Eliminate on disposal	-	-	(4,484)	(3,085)	(1,436)	(3)	-	(9,008)
Eliminate on revaluation	-	(1,059)	-	-	-	-	-	(1,059)
Other asset movement	-	1	-	-	(1)	2	-	2
Balance as at 30 June 2025	-	465	135,023	47,904	10,385	6,649	-	200,426
Balance as at 1 July 2025	-	465	135,023	47,904	10,385	6,649	-	200,426
Depreciation expense	-	1,616	21,303	2,091	1,100	1,223	-	27,333
Eliminate on disposal	-	-	(2,114)	(5,744)	(2,043)	(29)	-	(9,930)
Transfers	-	3,274	(1,808)	-	-	(1,466)	-	-
Other asset movement	-	-	-	-	-	1	-	1
Balance as at 30 June 2026	-	5,355	152,404	44,251	9,442	6,378	-	217,830
Carrying amounts								
As at 1 July 2024	7,757	17,948	72,457	6,905	4,917	3,010	34,276	147,270
As at 30 June and 1 July 2025	8,128	15,386	85,465	3,628	3,370	4,793	17,211	137,981
As at 30 June 2026	8,128	18,637	72,806	5,407	2,779	1,266	9,332	118,355

Restrictions

There are no restrictions over the title of MSD's property, plant and equipment assets. No property, plant and equipment assets are pledged as security for liabilities.

Impairment

As at 30 June 2026, MSD has not recognised an impairment loss for property, plant and equipment work in progress (2025: nil).

9. Software

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 MSD are recognised as a software asset. Direct costs include the cost of services, software development employee costs and any directly attributable overheads.

Costs of software updates or upgrades are only capitalised when they increase the usefulness or economic benefits of the software.

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 MSD are recognised as an expense when incurred.

Amortisation

The carrying value of software with a finite life is amortised on a straight-line basis over its useful life. The useful lives and associated amortisation rate of our major class of software assets have been estimated as follows:

Asset type	Estimated life	Amortisation rate
Software	3-8 years	12.5%-33%

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 MSD will receive benefits from the software, but not exceeding the licence term. For internally generated software developed by MSD, 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.

Impairment

For further details, refer to the policy for impairment of property, plant and equipment in Note 8. The same approach applies to the impairment of software, except that an impairment test is completed annually for software work in progress.

As at 30 June 2026, MSD has not recognised an impairment on software assets (2025: nil).

	Internally Generated Software \$000	Software Commercial \$000	Work in Progress \$000	Total \$000
Cost or revaluation				
Balance as at 1 July 2024	472,915	135,492	26,368	634,775
Additions by purchase	-	-	35,474	35,474
Transfers	24,713	8,156	(32,869)	-
Other asset movement	-	(1)	(1,122)	(1,123)
Disposals/Write-offs	(72,941)	(5,618)	-	(78,559)
Balance as at 30 June 2025	424,687	138,029	27,851	590,567
Balance as at 1 July 2025	424,687	138,029	27,851	590,567
Additions by purchase	-	-	40,691	40,691
Transfers	61,838	(73)	(61,765)	-
Other asset movement	(37)	42	(835)	(830)
Disposals/Write-offs	(36,078)	(3,841)	-	(39,919)
Balance as at 30 June 2026	450,410	134,157	5,942	590,509
Accumulated amortisation and impairment losses				-
Balance as at 1 July 2024	361,003	113,367	-	474,370
Amortisation expense	39,353	14,684	-	54,037
Disposals/Write-off	(72,941)	(5,618)	-	(78,559)
Balance as at 30 June 2025	327,415	122,433	-	449,848
Balance as at 1 July 2025	327,415	122,433	-	449,848
Amortisation expense	36,496	9,007	-	45,503
Disposals/Write-off	(36,061)	(3,841)	-	(39,902)
Balance as at 30 June 2026	327,850	127,599	-	455,449
Carrying amounts				
As at 1 July 2024	111,912	22,125	26,368	160,405
As at 30 June and 1 July 2025	97,272	15,596	27,851	140,719
As at 30 June 2026	122,560	6,558	5,942	135,060

Restrictions

There are no restrictions over the title of MSD's software; nor is any software pledged as security for liabilities.

Other asset movements

Other asset movements of \$0.830 million comprise the reclassification of capital expenditure to operating expenditure, partially offset by some asset write-offs.

10. Payables and accruals

Actual 2025 \$000		Actual 2026 \$000
Payables and accruals under exchange transactions		
11,622	Creditors	8,741
73,095	Accrued expenses	86,663
84,717	Total payables and accruals under exchange transactions	95,404
Payables and accruals under non-exchange transactions		
27,967	GST payable	37,482
27,967	Total payables and accruals under non-exchange transactions	37,482
112,684	Total payables and accruals	132,886

Payables and accruals are measured at the amount payable.

11. Return of operating surplus

The operating surplus must be repaid to the Crown by 31 October each year.

Actual 2025 \$000		Actual 2026 \$000
32,568	Net surplus	39,876
(3,060)	(Less) Retained surplus	(593)
29,508	Total repayment of surplus	39,283

12. Provisions

A provision is recognised for future expenditure of an 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.

Actual 2025 \$000		Actual 2026 \$000
3,032	ACC partnership programme	3,583
2,663	Holidays Act	1,850
2,674	Lease reinstatement	2,832
5,325	Operating lease incentive	4,739
7,442	Restructuring provision	2,204
21,136	Total provisions	15,208

Movements for each class of provision

	ACC partnership programme \$000	Holidays Act \$000	Lease rein- statement \$000	Operating lease incentive \$000	Restructur- ing provision \$000	Total \$000
Balance as at 1 July 2024	3,245	2,663	1,605	5,911	8,943	22,367
Additional provisions made	591	-	1,337	-	7,585	9,513
Amounts used	(804)	-	(350)	(586)	(9,086)	(10,826)
Discount unwind	-	-	82	-	-	82
Balance as at 30 June 2025	3,032	2,663	2,674	5,325	7,442	21,136
Balance as at 1 July 2025	3,032	2,663	2,674	5,325	7,442	21,136
Additional provisions made	1,371	-	-	-	2,204	3,575
Amounts used	(820)	(813)	-	(586)	(7,442)	(9,661)
Discount unwind	-	-	158	-	-	158
Balance as at 30 June 2026	3,583	1,850	2,832	4,739	2,204	15,208

ACC partnership programme

MSD belongs to the ACC Accredited Employer programme, whereby it accepts the management and financial responsibility of work-related illnesses and accidents. Under the programme, MSD 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, MSD 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.

MSD 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.

MSD, under the Full Self Cover Plan, has opted for a stop loss limit of 160 percent of the industry premium and a High-Cost Claims Cover limit of \$500,000.

MSD is not exposed to any significant concentrations of insurance risk as work-related injuries are generally the result of an isolated event to an individual employee. An external independent actuarial valuer, Melville Jessup Weaver, has calculated MSD's liability. The valuation is effective as at 30 June 2026.

Holidays Act provision

The Holidays Act 2003 provision accounts for any MSD 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 \$1.850 million (2025: \$2.663 million) is based on a professional assessment by MSD's People and Capability business group.

Lease reinstatement

At the expiry of the lease term for a number of its leased premises, MSD is required to remove any fixtures or fittings it has installed.

At year end, there was one site with a lease reinstatement provision of \$2.832 million (2025: one site with a lease reinstatement provision of \$2.674 million). The timing of any future lease reinstatement work is currently nine years and one month in the future.

MSD has the option to renew this lease, which has an impact on the timing of the expected cash outflow for the reinstatement of the leased premises.

The value of the provision is based on a professional assessment by MSD's Workplace Services team taking into account the cost and history of lease reinstatement work.

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 has a term of 18 years, and the benefit of the rent-free period is being recognised on a straight-line basis over the term of the lease. As at 30 June 2026, the unamortised balance of the lease incentive is \$4.739 million (2025: \$5.325 million).

Restructuring provision

A provision for restructuring is recognised when an approved detailed formal plan for the restructuring has been announced to those affected, or when implementation of the restructuring has commenced.

The total restructuring provision for redundancies as at 30 June 2026 is \$2.204 million (2025: \$7.442 million). This is for staff members affected by a restructure in 2026 in two business groups of MSD.

13. Employee entitlements

Short-term employee entitlements

Employee entitlements that MSD expects to be settled within 12 months of the balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to the balance date, annual leave owing at the balance date and sick leave.

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 until 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, 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 gratuities 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 long-term salary inflation assumption. Changes in these assumptions will have an impact on the carrying amount of the liability.

MSD uses discount rates and salary inflation assumptions published by the Treasury for accounting valuation purposes.

Discount rates and salary inflation rates applied

as at 30 June 2025				as at 30 June 2026		
2026 %	2027 %	2028 %	Employee entitlement variables	2027 %	2028 %	2029 %
3.14	3.47	5.58	Discount rates	2.97	3.75	5.38
2.89	2.89	2.89	Salary inflation	3.12	3.12	3.12

Financial impact of changes to the discount rates and salary inflation variables

Actual 2025 \$000		Actual 2026 \$000
Sensitivity analysis of employee entitlements fair value to discount rates and salary inflation rates		
1,599	Impact on fair value of a 1% increase in salary inflation rate	1,603
(1,488)	Impact on fair value of a 1% decrease in salary inflation rate	(1,494)
(1,309)	Impact on fair value of a 1% increase in discount rate	(1,316)
1,430	Impact on fair value of a 1% decrease in discount rate	1,435

Breakdown of employee entitlements

Actual 2025 \$000		Actual 2026 \$000
Current liabilities		
10,557	Retirement gratuities and long service leave	11,871
48,756	Annual leave	53,043
27,828	Salary accrual	6,881
3,066	Sick leave	2,883
90,207	Total current liabilities	74,678
Non-current liabilities		
25,296	Retirement gratuities and long service leave	25,859
25,296	Total non-current liabilities	25,859
115,503	Total employment entitlements	100,537

14. Equity

Equity is the Crown's investment in MSD and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified as taxpayers' funds and property revaluation reserves.

Breakdown of equity and further information

Actual 2025 \$000		Actual 2026 \$000
Taxpayers' funds		
317,726	Opening balance as at 1 July	336,624
32,568	Surplus/(deficit)	39,876
15,104	Capital injection	16,052
(10,151)	Capital withdrawal	(1,747)
(29,508)	Repayment of surplus	(39,283)
10,885	Transfers from Revaluation Reserve on Disposal of Assets	-
336,624	Closing balance as at 30 June	351,522
Revaluation reserves		
33,648	Opening balance as at 1 July	21,824
370	Revaluation gain	-
(1,309)	Revaluation losses	-
(10,885)	Transfers from Revaluation Reserve on Disposal of Assets	-
21,824	Closing balance as at 30 June	21,824
358,448	Total equity	373,346

Property revaluation reserves

These reserves relate to the revaluation of land and buildings to fair value.

15. Related party transactions

MSD 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 MSD 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 2025		Actual 2026
Ministry of Social Development Leadership Team, including the Chief Executive		
\$3,769,185	Remuneration	\$3,898,252
8.8	Full-time equivalent members	9.3
Whaikaha Leadership Team, including the Chief Executive (up to November 2024)		
\$1,230,920	Remuneration	-
6.0	Full-time equivalent members	-

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 MSD. 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 MSD.

16. Events after the balance sheet date

No significant events, which may have had an impact on the actual results, have occurred between year-end and the signing of the financial statements.

17. 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 2025 \$000		Notes	Actual 2026 \$000
Financial assets measured at amortised cost			
142,274	Cash and cash equivalents		105,588
8,023	Accounts receivable	6	3,111
150,297	Total financial assets measured at amortised cost		108,699
Financial liabilities measured at amortised cost			
84,717	Payables and accruals excluding GST payable	10	95,404
84,717	Total financial liabilities measured at amortised cost		95,404

Financial instrument risks

MSD's activities expose it to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. MSD 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. MSD has no material foreign exchange exposures.

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. MSD has no exposure to interest rate risk.

Credit risk

Credit risk is the risk that a third party will default on its obligation to MSD, causing MSD to incur a loss.

In the normal course of MSD's business, credit risk arises from receivables and cash deposits with Westpac.

Aside from cash deposits, MSD does not have significant concentrations of credit risk.

MSD's maximum credit exposure for each class of financial instrument is represented by the carrying amounts of cash and cash equivalents, and accounts receivable (refer to Note 6), as disclosed in the balance sheet. No collateral is held as security for these financial instruments.

MSD is permitted to deposit funds only with Westpac (a registered bank with a Standard & Poor's credit rating of AA-). No credit loss allowance on cash deposits has been recognised, as the estimated credit loss is considered trivial.

Liquidity risk

Management of liquidity risk

Liquidity risk is the risk that MSD will encounter difficulty raising liquid funds to meet its commitments as they fall due.

In meeting its liquidity requirements, MSD closely monitors its forecast cash requirements with expected cash drawdowns from the New Zealand Debt Management Office. MSD maintains a target level of available cash to meet liquidity requirements. MSD can adjust cash drawdowns as required by changing the phasing and request additional funds when required.

Contractual maturity analysis of financial liabilities

Financial liabilities totalling \$95.404 million are due for repayment in less than six months (2025: \$84.717 million).

18. Explanation of major variances against budget

	Notes	Actual 2026 \$000	Budget 2026 \$000	Variance 2026 \$000
Statement of Comprehensive Revenue and Expense				
Expenses				
Personnel costs	a	912,746	841,888	70,858
Other operating expenses	b	681,398	756,217	(74,819)
Statement of Financial Position				
Assets				
Current assets				
Cash and cash equivalents	c	105,588	166,502	(60,914)
Crown receivable	d	261,630	150,384	111,246

Statement of Comprehensive Revenue and Expense

- Personnel costs are \$70.858 million higher than budget, primarily due to higher workforce levels than budgeted. Additional staffing to support funded initiatives and service delivery requirements also contributed to the variance.
- Other operating expenses are lower than budgeted by \$74.819 million mainly due to the reallocation of funding from third-party suppliers and other services to personnel costs to maintain staffing levels required.

Statement of Financial Position

- Cash and cash equivalents are lower than budget by \$60.914 million, primarily due to cash receipts from the Crown being \$30.407 million below budget and the payment of a \$29.507 million surplus to the Crown.

- d) Crown receivables are higher than budget by \$111.246 million, mainly due to lower funding requirements during the financial year. This reflects a timing difference between the recognition of Crown revenue and the receipt of cash from the Crown, resulting in a higher Crown receivable balance at year-end.

19. Expenditure on contractors and consultants

MSD 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 MSD 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 MSD, for a specific piece of work with a clearly defined scope.

Expenditure on contractors and consultants is as follows:

Actual 2025 \$000		Notes	Actual 2026 \$000
33,659	Contractors and consultants – operating	5	33,834
33,659	Total contractors and consultants – operating		33,834
12,937	Contractors and consultants – capitalised to assets		15,283
12,937	Total contractors and consultants – capital		15,283
46,596	Total contractors and consultants		49,117

Expenditure on contractors and consultants has increased by \$2.521 million (2025: \$67.929 million decrease). The increase in operating expenditure is mainly due to the Services for the Future programme being moved into delivery in the 2025/26 financial year. The increase in capital expenditure is primarily driven by the progression of approved initiatives as they move closer to go live, as well as the commencement of new projects entering early delivery phases.

20. Expenditure appropriated, reconciled to operating expenses

Actual 2025 \$000		Actual 2026 \$000
1,631,658	Total expenditure appropriated	1,684,890
	Reconciling items	
	Remeasurements	
(316)	Long Service Leave and Retirement Leave	500
	Reclassification	
(236)	Loss on disposal of property, plant and equipment	(172)
(552)	Total reconciling items	328
1,631,106	Total expenses per Statement of Comprehensive Revenue and Expense	1,685,218

Non-Departmental Statements and Schedules

For the year ended 30 June 2026

The following non-departmental statements and schedules record the revenue, expenses, assets, liabilities, commitments, contingent liabilities, contingent assets and trust accounts that MSD manages on behalf of the Crown.

Schedule of Non-Departmental Revenue

For the year ended 30 June 2026

Actual 2025 \$000		Notes	Actual 2026 \$000	Unaudited Budget 2026 \$000
150	Interest revenue		398	-
25,471	Maintenance capitalisation		5,082	450
2,570	Programme recoveries		2,640	3,970
8,300	Student Loan – administration fee	3	9,378	8,143
1,091	Income Related Rent Subsidy recoveries		1,375	677
37,582	Total non-departmental revenue		18,873	13,240

Explanations of major variances against budget are set out in Note 5.

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 2025/26.

Schedule of Non-Departmental Capital Receipts

For the year ended 30 June 2026

Actual 2025 \$000		Notes	Actual 2026 \$000	Unaudited Budget 2026 \$000
434,974	Benefit recoveries – current debt		464,993	437,460
149,489	Benefit recoveries – non-current debt		177,678	136,781
440,868	Overseas pension recoveries		488,511	444,250
93,311	Student Loans – repayment of principal	3	109,395	121,074
1,118,642	Total non-departmental capital receipts		1,240,577	1,139,565

Explanations of major variances against budget are set out in Note 5.

Benefit recoveries (current and non-current) are 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.

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 2025/26.

Schedule of Non-Departmental Expenses

For the year ended 30 June 2026

Actual 2025 \$000		Notes	Actual 2026 \$000	Unaudited Budget 2026 \$000
2,888,507	Non-departmental output expenses		2,907,252	3,208,017
311,638	Non-departmental other expenses		454,613	260,415
2,218,698	Non-departmental capital expenditure		2,550,669	2,454,371
38,267,536	Benefits or related expenses	6	40,590,986	40,419,671
419,782	Other operating expenses		413,355	494,593
44,106,161	Total non-departmental expenses		46,916,875	46,837,067

Explanations of major variances against budget are set out in Note 5.

The Other operating expenses of \$413.355 million is mainly GST paid for 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 2025/26.

Schedule of Non-Departmental Assets

As at 30 June 2026

Actual 2025 \$000		Notes	Actual 2026 \$000	Unaudited Budget 2026 \$000
Current assets				
378,094	Cash and cash equivalents	4	405,414	650,000
327,661	Social benefit receivables	2	385,335	486,608
79,580	Other receivables	4	77,709	68,888
72,319	Prepayments – benefits and allowances		-	700
857,654	Total current assets		868,458	1,206,196
Non-current assets				
1,225,348	Social benefit receivables	2	1,351,472	1,256,166
26	Other advances		27	21
6,421	Crown equity investment in Crown Entity		10,790	6,421
1,231,795	Total non-current assets		1,362,289	1,262,608
2,089,449	Total non-departmental assets		2,230,747	2,468,804

Explanations of major variances against budget are set out in Note 5.

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 2025/26.

Schedule of Non-Departmental Liabilities

As at 30 June 2026

Actual 2025 \$000		Notes	Actual 2026 \$000	Unaudited Budget 2026 \$000
Current liabilities				
27,988	Provision	7	174,816	-
564,481	Payables and accruals	4	818,081	553,192
357,324	Other current liabilities	4	60,589	18,986
949,793	Total non-departmental liabilities		1,053,486	572,178

Explanations of major variances against budget are set out in Note 5.

The accompanying notes form part of these financial statements.

Schedule of Non-Departmental Commitments

As at 30 June 2026

MSD, on behalf of the Crown, has no commitments as at 30 June 2026 (2025: nil).

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 2025/26.

Schedule of Non-Departmental Contingent Liabilities and Contingent Assets

As at 30 June 2026

Unquantifiable contingent liabilities

MSD, on behalf of the Crown, has unquantifiable contingent liabilities related to Disability Support Services as at 30 June 2026. In December 2025, the Supreme Court confirmed that two individuals are employees of the Crown under the Employment Relations Act 2000. However, matters relating to remuneration, periods of entitlement, hours worked, and the application of the decision to other cases remain unresolved. As a result, the financial impact on the Crown cannot be reliably estimated.

There are unquantifiable contingent liabilities relating to historical abuse in care. While provisions have been recognised for claims that meet the recognition criteria at balance date, uncertainty remains regarding the number and value of future claims. This includes individuals who have registered for redress but whose claims have not yet been assessed, as well as potentially eligible individuals who may submit claims in the future. The number of claimants, the outcome of claims, and the amount and timing of any payments are uncertain. Accordingly, the financial effect of these contingent liabilities cannot be reliably estimated.

There are unquantifiable contingent liabilities claims against the Crown relating to welfare system litigation. This commonly arises from challenges by clients to operational decisions made by Ministry staff within the social welfare system. Such challenges are generally made through the statutory review and appeal processes, but also occasionally include general civil proceedings such as judicial review applications.

Quantifiable contingent liabilities

MSD, on behalf of the Crown, has \$1.234 million of contingent liabilities as at 30 June 2026 (2025: nil). These liabilities comprise claims from clients and third parties relating to unpaid benefit entitlements and other disputes, which were previously reported as departmental contingent liabilities and have been reclassified as Crown contingent liabilities.

Unquantifiable contingent assets

MSD, on behalf of the Crown, has unquantifiable contingent assets related to wage subsidy recovery claims against several recipients of the wage subsidy scheme as at 30 June 2026.

Quantifiable contingent assets

MSD, on behalf of the Crown, has no quantifiable contingent assets as at 30 June 2026 (2025: 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 2025/26.

Statement of Trust Monies

For the year ended 30 June 2026

MSD operates trust accounts as the agent under section 66 of the PFA. The transactions through these accounts and their balances as at 30 June 2026 are not included in MSD's own financial statements. Movements in these accounts during the year ended 30 June 2026 were:

Actual 2025 \$000		Actual 2026 \$000
Australian embargoed arrears		
3,143	Opening Balance at 1 July	2,281
22,804	Contributions	26,241
(23,766)	Distributions	(24,959)
100	Revenue	57
2,281	Closing Balance at 30 June	3,620
Maintenance		
22	Opening Balance at 1 July	15
194	Contributions	156
(210)	Distributions	(159)
9	Revenue	4
15	Closing Balance at 30 June	16
Netherlands debt		
6	Opening Balance at 1 July	20
118	Contributions	240
(104)	Distributions	(249)
-	Revenue	-
20	Closing Balance at 30 June	11
2,316	Total trust monies	3,647

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

MSD 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

There is an agreement between the Netherlands and New Zealand Governments for MSD 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 2025/26.

Notes to the Non-Departmental Statements and Schedules

For the year ended 30 June 2026

1. Statement of accounting policies

Reporting entity

These non-departmental statements and schedules present financial information on public funds managed by MSD on behalf of the Crown.

These non-departmental balances are consolidated into the Financial Statements of the Government for the year ended 30 June 2026. 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 2026.

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 as appropriate for PBEs.

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

2024 Omnibus Amendments to PBE Standards (Amendments to PBE IPSAS 1)

This amendment clarifies the principles for classifying a liability as current or non-current, including the assessment of whether an entity has a substantive right at the reporting date to defer settlement of a liability for at least 12 months after the reporting date. The amendments also provide additional guidance on classification of liabilities that are subject to borrowing covenants and introduce related disclosure requirements where compliance with covenants is required after the reporting date. The amendment is effective for the year ending 31 December 2026. These amendments are not expected to have a significant impact.

PBE Conceptual Framework Update

The External Reporting Board has issued an updated Public Benefit Entity Conceptual Framework, which is mandatory for accounting periods beginning on or after 1 January 2028. The updated framework revises aspects of the qualitative characteristics of financial information and the definitions of elements in general purpose financial reports. The Ministry has not early adopted the updated framework, as it is not expected to have a material impact on the recognition or measurement of transactions in the financial statements.

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

MSD 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 MSD.

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.

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 in transit and funds held in bank accounts administered by MSD.

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 that penalty or exit costs (i.e. the minimum future payments).

Goods and Services Tax (GST)

Items in the non-departmental statements and schedules 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 an expense in the Schedule of Non-Departmental Expenses.

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 2026 budget figures are for the year ended 30 June 2026, which are consistent with the best estimate financial information submitted to the Treasury for the BEFU for the year ended 30 June 2026.

2. Social benefit receivables

Social benefit receivables are carried at fair value through operating balance. Social benefit receivables arise from overpayments of benefits, advances on benefits and recoverable special needs grants. No interest is charged on these receivables and repayments are not required where it would create hardship. Receivables are written off where the debt is with someone who passes away or becomes bankrupt.

The Ministry engaged Melville Jessup Weaver to estimate the fair value of the social benefit receivables as at 30 June 2026. 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 7.90 percent and 5.47 percent (between 8.08 percent and 5.64 percent at 30 June 2025).

The fair value of the portfolio as at 30 June 2026 is \$1.737 billion (\$1.553 billion at 30 June 2025).

Actual 2025 \$000		Actual 2026 \$000
Social benefit receivables		
2,919,174	Nominal value of receivables	3,246,660
2,919,174	Gross value of receivables	3,246,660
(1,366,165)	(less) provision for impairment	(1,509,853)
1,553,009	Net social benefit receivables	1,736,807
Movements in the carrying value of the loans are as follows:		
1,426,408	Net social benefit receivables at 1 July	1,553,009
613,666	Face value of new receivables during the year	682,781
(584,463)	Receivables repaid during the year	(642,671)
97,398	Subsequent net change in valuation	143,688
1,553,009	Net social benefit receivables at 30 June	1,736,807
Total receivables are presented by:		
327,661	Current	385,335
1,225,348	Non-current	1,351,472

Impairment is calculated on a collective basis, not on an individual basis. There was a positive net movement in impairment of \$143.688 million during the 2025/26 year (2024/25: positive \$97.398 million).

Sensitivity analysis

The table below outlines the sensitivity of social benefit receivables fair value to discount rates and repayment rates. The impact on the provision for impairment is the inverse of these amounts (for example, a 1 percent increase in the discount rate increases the impairment provision by 1 percent).

Actual 2025 \$000		Actual 2026 \$000
Sensitivity of social benefit receivable carrying value to discount rates and repayment rates		
(71)	Impact on fair value of +1 percentage point in discount rates	(79)
78	Impact on fair value of -1 percentage point in discount rates	87
121	Impact on fair value of a 25% increase in repayment rate	134
(153)	Impact on fair value of a 25% decrease in repayment rate	(169)

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 \$0.079 million. A decrease in the discount rate of 1 percent would increase fair value by approximately \$0.087 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 by between +0.05 percent and -0.20 percent for the 2025/26 financial year (2024/25 changed by between -2.16 percent and +0.57 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 2026

Actual 2025 \$000		Actual 2026 \$000
Student Loans		
2	Opening nominal balance	2
1,794,107	New lending	2,108,911
(93,311)	Repayment	(109,395)
(1,709,096)	Loan balance transfer to IR	(2,008,892)
8,300	Administration fee	9,378
2	Closing nominal balance	4
2	Net carrying value of Student Loans	4

The Student Loan Scheme is administered by MSD in conjunction with the Ministry of Education and IR. MSD'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 2025 \$000		Actual 2026 \$000
Financial assets measured at amortised cost		
378,094	Cash and cash equivalents	405,414
79,580	Other receivables	77,709
457,674	Total financial assets measured at amortised cost	483,123
Financial liabilities measured at amortised cost		
564,481	Payables and accruals	818,081
357,324	Other current liabilities	60,589
921,805	Total financial liabilities measured at amortised cost	878,670

Financial instrument risks

MSD's activities expose it to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. MSD 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.

Credit risk

Credit risk is the risk that a third party will default on its obligation to MSD, causing MSD to incur a loss.

Credit risk arises from funds held with banks and receivables.

MSD'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 cash and cash equivalents with 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-. At 30 June 2026 no credit loss allowance has been recognised for cash and cash equivalents because the estimated loss is trivial.

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. MSD has no material foreign exchange exposures.

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. MSD has no exposure to interest rate risk.

Liquidity risk

Liquidity risk is the risk that MSD will encounter difficulty raising liquid funds to meet its commitments as they fall due.

In meeting its liquidity requirements, MSD closely monitors its forecast cash requirements with expected cash drawdowns from the New Zealand Debt Management Office. MSD maintains a target level of available cash to meet liquidity requirements.

Financial liabilities of \$878.670 million (2025: \$921.805 million) are due to be repaid in less than six months.

5. Explanation of major variances against budget

Schedule of non-departmental capital receipts

Total non-departmental capital receipts are higher than budget by \$101.012 million, mainly due to higher Benefit Recoveries on debt (\$68.430 million) and higher Overseas Pension recoveries (\$44.261 million). Recoveries are volatile, and the variance cannot be linked to one specific factor with certainty.

Schedule of non-departmental expenses

Total non-departmental expenses are higher than budget by \$79.808 million, mainly due to an additional provision made for eligible Redress Payments (\$163.963 million) and higher expenditure on Student Loans (\$118.817 million) and Jobseeker Support and Emergency Benefit (\$87.453 million) reflecting higher demand and recipient numbers than anticipated. This was partially offset by lower expenditure on disability support services (\$291.694 million) as demand is lower-than-forecast, including slower growth in Needs Assessment Service Coordination service allocations.

Schedule of non-departmental assets

Total non-departmental assets are lower than budget by \$238.057 million, mainly due to lower cash and cash equivalents by \$244.586 million. This reflects higher than budgeted cash outflows associated with social assistance payments during the year.

Schedule of non-departmental liabilities

Total non-departmental liabilities are \$481.308 million higher than budget. This is primarily due to differences in the forecast timing of tax payments on benefits, benefit accruals, provision made for Redress Payments and disability support services accruals.

6. Benefits or related expenses

Benefits or related expenses includes the following significant expenditure types:

Actual 2025 \$000		Actual 2026 \$000
	Benefits or related expenses	
2,232,026	Accommodation Assistance	2,306,130
491,784	Disability Assistance	517,883
754,599	Hardship Assistance	810,403
4,640,562	Jobseeker Support and Emergency Benefit	4,926,122
23,191,199	New Zealand Superannuation	24,720,688
402,311	Orphan's/Unsupported Child's Benefit	416,323
2,255,092	Sole Parent Support	2,386,227
573,646	Student Allowances	641,025
2,668,450	Supported Living Payment	2,826,464
1,057,867	Other Benefits or Related Expenses	1,039,721
38,267,536	Total benefits or related expenses	40,590,986

7. Provisions

A provision is recognised for future expenditure of an 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.

Actual 2025 \$000		Actual 2026 \$000
27,988	Redress payment provision	174,816
27,988	Total provisions	174,816

Breakdown of provisions and further information

	Redress payment provision \$000	Total \$000
Balance as at 1 July 2024	-	-
Additional provisions made	27,988	27,988
Amounts used	-	-
Balance as at 30 June 2025	27,988	27,988
Balance as at 1 July 2025	27,988	27,988
Additional provisions made	163,963	163,963

	Redress payment provision \$000	Total \$000
Amounts used	(17,135)	(17,135)
Balance as at 30 June 2026	174,816	174,816

Redress payment provision

The provision represents the Crown's best estimate of future redress payments for claims relating to historical abuse and neglect in State care. The provision is based on information available at balance date, including the number and status of claims, expected settlement values, and assumptions regarding the timing and outcome of claims. Due to the inherent uncertainty associated with assessing future claims and settlement outcomes, actual payments may differ from the amounts provided.

Appropriation Statements

The following statements report information about the expenses and capital expenditure incurred against each appropriation administered by MSD for the year ended 30 June 2026. 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 2025/26 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's Commissioner
 3. Annual Report of the Independent Monitor of the Oranga Tamariki System
 4. Annual Report of the Social Workers Registration Board
 5. Vote Social Development Non-Departmental Appropriations Report
 6. No reporting required due to an exemption obtained under section 15D of the PFA.

Statement of Cost Allocation Policies

MSD 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 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 2026

Annual and permanent appropriations for MSD.

Expenditure after remeasure-ments 2025 \$000	Appropriation title	Expenditure before remeasure-ments 2026 \$000	Remeasure-ments 2026 \$000	Expenditure after remeasure-ments 2026 \$000	Approved appropriation 2026 \$000	Location of end-of-year performance information
Vote: Social Development						
Departmental Output Expenses						
7,951	Administration of Service Cards	6,720	(3)	6,717	7,165	1
15,415	Corporate Support Services	15,066	-	15,066	16,091	6
35,753	Data, Analytics and Evidence Services	40,856	(10)	40,846	41,265	1
1,728	Enhancement and Promotion of SuperGold Cards	1,572	(1)	1,571	1,734	1
56,574	Income Support and Assistance to Seniors	65,666	(31)	65,635	65,804	1
120	Investigating and Responding to Alleged Social Work Offending	-	-	-	-	
63,647	Investigation of Overpayments and Fraudulent Payments and Collection of Overpayments	65,297	(30)	65,267	65,448	1
29,794	Management of Student Loans	28,032	(13)	28,019	28,689	1
29,649	Management of Student Support	28,032	(13)	28,019	28,590	1
7,522	Planning, Correspondence and Monitoring	7,286	(2)	7,284	7,384	1
21,589	Policy Advice	21,787	(8)	21,779	23,172	1
632	Processing of Veteran's Pensions	592	-	592	757	1
2,198	Promoting Positive Outcomes for Seniors	1,845	-	1,845	1,870	1
89,719	Services to Support People to Access Accommodation	82,942	(29)	82,913	85,607	1
362,291	Total Departmental Output Expenses	365,693	(140)	365,553	373,576	

Expenditure after remeasurements 2025 \$000	Appropriation title	Expenditure before remeasurements 2026 \$000	Remeasurements 2026 \$000	Expenditure after remeasurements 2026 \$000	Approved appropriation 2026 \$000	Location of end-of-year performance information
Departmental Capital Expenditure						
58,585	Ministry of Social Development – Capital Expenditure PLA	47,926	-	47,926	66,417	1
58,585	Total Departmental Capital Expenditure	47,926	-	47,926	66,417	
Non-Departmental Output Expenses						
5,250	Children and Young People's Commissioner	8,216	-	8,216	8,216	2
114,155	Community Participation Services	133,508	-	133,508	133,647	5
18,975	Driver Licence Support	20,820	-	20,820	20,856	5
917	Housing Place-Based Approaches	735	-	735	917	6
-	Independent Children's Monitor	11,387	-	11,387	11,387	3
795	Social Workers Registration Board	987	-	987	987	4
3,737	Student Placement Services	3,512	-	3,512	3,512	6
17,336	Supporting Equitable Pay for Care and Support Workers	-	-	-	-	
161,165	Total Non-Departmental Output Expenses	179,165	-	179,165	179,522	
Non-Departmental Other Expenses						
47,970	Apprentice Support	20,283	-	20,283	22,729	6
153,904	Debt Write-downs	162,879	9,352	172,231	205,927	6
467	Disability-related Legal Expenses	-	-	-	-	
1,181	Emergency Housing Support Package	-	-	-	750	6
2,127	Extraordinary Care Fund	2,218	-	2,218	2,308	6
22,601	Out of School Care and Recreation Programmes	22,066	-	22,066	22,251	5
4,518	Reimbursement of Income-Related Rent Overpayments	5,669	-	5,669	6,389	6
232,768	Total Non-Departmental Other Expenses	213,115	9,352	222,467	260,354	

Expenditure after remeasure- ments 2025 \$000	Appropriation title	Expenditure before remeasure- ments 2026 \$000	Remeasure- ments 2026 \$000	Expenditure after remeasure- ments 2026 \$000	Approved appropria- tion 2026 \$000	Location of end-of-year performance information
	Non-Departmental Capital Expenditure					
1,400	Children and Young People's Commission Capital Injection	-	-	-	-	
-	Independent Children's Monitor Capital Injection	4,369	-	4,369	4,369	3
275,399	Recoverable Assistance	280,246	-	280,246	294,107	6
1,794,107	Student Loans	2,108,911	-	2,108,911	2,209,708	6
2,070,906	Total Non-Departmental Capital Expenditure	2,393,526	-	2,393,526	2,508,184	
	Multi-Category Appropriations					
347,528	Community Support Services MCA	317,818	(8)	317,810	321,354	
	Departmental Output Expenses					
41,237	Developing and Managing Community Services	39,229	(8)	39,221	40,468	1
5,580	Regional System Leadership Framework	5,105	-	5,105	5,550	1
	Non-Departmental Output Expenses					
9,005	Community Connectors	-	-	-	-	
60,776	Community Support and Advice	52,269	-	52,269	52,455	1
1,642	Improving Children's Participation in Education	1,642	-	1,642	1,642	6
13,520	Participation and Support Services for Seniors	12,961	-	12,961	13,039	1
6,364	Place-Based Approaches	2,100	-	2,100	2,691	1
194,355	Supporting Victims and Perpetrators of Family and Sexual Violence	189,649	-	189,649	190,609	1
	Non-Departmental Other Expenses					
15,049	Community Response to Adverse or Emergency Events	14,863	-	14,863	14,900	1

Expenditure after remeasure- ments 2025 \$000	Appropriation title	Expenditure before remeasure- ments 2026 \$000	Remeasure- ments 2026 \$000	Expenditure after remeasure- ments 2026 \$000	Approved appropria- tion 2026 \$000	Location of end-of-year performance information
150,410	Housing Support Assistance MCA	160,014	-	160,014	169,941	
	Non-Departmental Output Expenses					
1,051	Provision to better prepare people to access and sustain private rental	486	-	486	1,613	6
	Non-Departmental Other Expenses					
1,567	Non-Recoverable Housing Support Assistance	2,385	-	2,385	2,433	1
	Non-Departmental Capital Expenditure					
147,792	Recoverable Housing Support Assistance	157,143	-	157,143	165,895	1
1,144,684	Improved Employment and Social Outcomes Support MCA	1,144,433	(321)	1,144,112	1,163,510	
	Departmental Output Expenses					
452,561	Administering Income Support	465,086	(195)	464,891	437,933	1
451,205	Improving Employment Outcomes	521,304	(115)	521,189	563,950	1
9,577	Improving Employment Outcomes to Support People Impacted by Extreme Weather Events	-	-	-	-	
138,583	Improving Work-Readiness Outcomes	117,624	(9)	117,615	116,514	1
6,039	Jobs and Skills Hubs	6,387	(2)	6,385	7,054	1
	Non-Departmental Output Expenses					
41,871	He Poutama Rangatahi	29,280	-	29,280	33,368	1
15,881	Māori Trades and Training Programmes	-	-	-	-	1
2,396	Pacific employment and training programmes	4,752	-	4,752	4,691	1
	Non-Departmental Other Expenses					
26,571	Flexi-Wage Employment Assistance	-	-	-	-	

Expenditure after remeasure- ments 2025 \$000	Appropriation title	Expenditure before remeasure- ments 2026 \$000	Remeasure- ments 2026 \$000	Expenditure after remeasure- ments 2026 \$000	Approved appropria- tion 2026 \$000	Location of end-of-year performance information
23,294	Partnering for Youth Development MCA	16,182	-	16,182	17,081	
	Departmental Output Expenses					
5,881	Administering Youth Development	3,811	-	3,811	3,982	1
	Non-Departmental Output Expenses					
17,413	Delivering Youth Development	12,371	-	12,371	13,099	1
35,167	Redress for Abuse in Care MCA	237,530	(10)	237,520	107,855	
	Departmental Output Expenses					
159	Delivering redress for abuse in care	22,596	(10)	22,586	30,106	1
	Non-Departmental Output Expenses					
-	Support Services	1,276	-	1,276	14,150	1
	Non-Departmental Other Expenses					
35,008	Redress Payments	213,658	-	213,658	63,599	6
2,414,204	Supporting Tāngata Whaikaha Māori and Disabled People MCA					
	Departmental Output Expenses					
8,231	Connecting people with supports and communities	-	-	-	-	
37,435	Stewardship of the Disability System	-	-	-	-	
4,795	Sustainability of Disability Support Services	-	-	-	-	
	Non-Departmental Output Expenses					
905,056	Community-based support services	-	-	-	-	
62,507	Connecting and strengthening disability communities	-	-	-	-	
57,862	Early intervention support services	-	-	-	-	
233,793	Environmental support services	-	-	-	-	
1,103,850	Residential-based support services	-	-	-	-	

Expenditure after remeasure- ments 2025 \$000	Appropriation title	Expenditure before remeasure- ments 2026 \$000	Remeasure- ments 2026 \$000	Expenditure after remeasure- ments 2026 \$000	Approved appropria- tion 2026 \$000	Location of end-of-year performance information
	Non-Departmental Other Expenses					
675	Community Capacity and Support	-	-	-	-	
4,115,287	Total Multi-Category Appropriations	1,875,977	(339)	1,875,638	1,779,741	
	Benefits or Related Expenses					
2,232,026	Accommodation Assistance	2,306,130	-	2,306,130	2,361,935	6
167,204	Childcare Assistance	160,283	-	160,283	171,489	6
491,784	Disability Assistance	517,883	-	517,883	524,814	6
74,407	Emergency Housing Assistance	39,656	-	39,656	43,297	6
754,599	Hardship Assistance	810,403	-	810,403	855,517	6
4,640,562	Jobseeker Support and Emergency Benefit	4,926,122	-	4,926,122	5,011,114	6
23,191,199	New Zealand Superannuation	24,720,688	-	24,720,688	24,776,722	6
402,311	Orphan's/Unsupported Child's Benefit	416,323	-	416,323	425,485	6
2,255,092	Sole Parent Support	2,386,227	-	2,386,227	2,417,539	6
11,007	Special Circumstance Assistance	10,576	-	10,576	11,718	6
573,646	Student Allowances	641,025	-	641,025	677,161	6
15,523	Study Scholarships and Awards	18,173	-	18,173	20,426	6
2,668,450	Supported Living Payment	2,826,464	-	2,826,464	2,851,789	6
15,699	Training Incentive Allowance	17,234	-	17,234	19,992	6
2	Transitional Assistance	-	-	-	125	6
131,128	Veteran's Pension	131,474	-	131,474	132,746	6
561,678	Winter Energy Payment	582,378	-	582,378	600,696	6
3,104	Work Assistance	2,947	-	2,947	3,467	6
78,115	Youth Payment and Young Parent Payment	77,000	-	77,000	79,950	6
38,267,536	Total Benefits or Related Expenses	40,590,986	-	40,590,986	40,985,982	
45,268,538	Total Annual and Permanent Appropriations	45,666,388	8,873	45,675,261	46,153,776	

Expenditure after remeasure- ments 2025 \$000	Appropriation title	Expenditure before remeasure- ments 2026 \$000	Remeasure- ments 2026 \$000	Expenditure after remeasure- ments 2026 \$000	Approved appropria- tion 2026 \$000	Location of end-of-year performance information
Multi-Year Appropriations						
Departmental Output Expenses						
37,302	Historic Claims	-	-	-	-	
Departmental Other Expenses						
-	Ministry of Social Development – Services for the Future Programme	96,818	(8)	96,810	128,924	1
70,782	Te Pae Tawhiti – Horizon One	-	-	-	-	
108,084	Total Multi-Year Appropriations	96,818	(8)	96,810	128,924	
45,376,622	Total Vote Social Development	45,763,206	8,865	45,772,071	46,282,700	
Vote: Disability Support Services						
Non-Departmental Other Expenses						
-	Disability-related Legal Expenses	1,146	-	1,146	13,097	6
-	Total Non-Departmental Other Expenses	1,146	-	1,146	13,097	
Multi-Category Appropriations						
-	Disability Support Services MCA	2,463,134	(15)	2,463,119	2,556,882	
Departmental Output Expenses						
-	Administering and developing disability support services	24,171	(10)	24,161	26,498	1
-	Connecting people with supports and communities	9,438	(3)	9,435	14,050	1
-	Employing family members to provide care	-	-	-	170	1
-	Sustainability of Disability Support Services	8,130	(2)	8,128	10,805	1
Non-Departmental Output Expenses						
-	Community-based support services	937,660	-	937,660	953,889	1
-	Connecting and strengthening disability communities	65,865	-	65,865	63,947	1

Expenditure after remeasure- ments 2025 \$000	Appropriation title	Expenditure before remeasure- ments 2026 \$000	Remeasure- ments 2026 \$000	Expenditure after remeasure- ments 2026 \$000	Approved appropria- tion 2026 \$000	Location of end-of-year performance information
-	Early intervention support services	68,663	-	68,663	63,399	1
-	Environmental support services	231,233	-	231,233	241,495	1
-	High and Complex Framework Services	86,193	-	86,193	94,960	1
-	Residential-based support services	1,031,687	-	1,031,687	1,085,015	1
	Non-Departmental Other Expenses					
-	Community Capacity and Support	94	-	94	2,654	6
-	Total Multi-Category Appropriations	2,463,134	(15)	2,463,119	2,556,882	
-	Total Vote Disability Support Services	2,464,280	(15)	2,464,265	2,569,979	

No transfers were made under section 26A of the PFA.

Statement of Expenses and Capital Expenditure Incurred Without, or in Excess of, Appropriation or Other Authority

For the year ended 30 June 2026

Appropriation Title	Expenditure After Remeasurements 2026 \$000	Approved Appropriation 2026 \$000	Unappropriated Expenditure 2026 \$000
Vote Social Development			
Redress for Abuse in Care MCA	237,520	107,855	(129,665)
Departmental Output Expenses			
Delivering redress for abuse in care	22,586	30,106	7,520
Non-Departmental Output Expenses			
Support Services	1,276	14,150	12,874
Non-Departmental Other Expenses			
Redress Payments	213,658	63,599	(150,059)

Expenses and capital expenditure incurred in excess of appropriation

Expenditure exceeded appropriation by \$129.665 million in the 2025/26 financial year. The unappropriated expenditure arose within the Redress for Abuse in Care Multi-Category Appropriation as a result of a change in accounting estimate, which required the recognition of an increased provision for future redress payments. The provision represents MSD's best estimate, at balance date, of its future obligations to eligible claimants.

Expenses and capital expenditure approved under section 26B of the Public Finance Act

Nil.

Expenses and capital expenditure incurred without appropriation or outside scope or period of appropriation

Nil.

Statement of Departmental Capital Injections

For the year ended 30 June 2026

Actual Capital Injection 2025 \$000	Type of appropriation	Actual Capital Injection 2026 \$000	Approved Appropriation 2026 \$000
15,104	Ministry of Social Development – Capital Injection	16,052	16,052
15,104	Balance at 30 June	16,052	16,052

Statement of Departmental Capital Injections Without, or in Excess of, Authority

For the year ended 30 June 2026

MSD has not received any capital injections during the year without, or in excess of, authority.

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 2026.

The Auditor-General is the auditor of the Ministry of Social Development (the Ministry). The Auditor-General has appointed me, Ingrid Harris, using the staff and resources of The Audit Office, to carry out the audit of the information required to be audited on his behalf.

Opinion

We have audited:

- The financial statements of the Ministry that comprise the statement of financial position, statement of commitments, and statement of contingent assets and contingent liabilities as at 30 June 2026, 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 on pages 145 to 172.
- The end-of-year performance information for appropriations of the Ministry for the year ended 30 June 2026 on pages 59 to 120.
- The statements of expenses and capital expenditure of the Ministry for the year ended 30 June 2026 on pages 190 to 200.
- The schedules of non-departmental activities managed by the Ministry on behalf of the Crown, that comprise the schedules of assets, liabilities, commitments, contingent assets, and contingent liabilities as at 30 June 2026, the schedules of expenses and revenue for the year ended 30 June 2026, and the notes to the schedules that include accounting policies and other explanatory information on pages 173 to 178 and 181 to 189.
- The statement of trust monies for the year ended 30 June 2026 on pages 179 to 180.

In our opinion:

- The financial statements of the Ministry present fairly, in all material respects, its financial position as at 30 June 2026, and its financial performance and cash flows for the year then ended, in accordance with the Public Benefit Entity Standards.
- The end-of-year performance information for each appropriation for the year ended 30 June 2026 is appropriate and meaningful and prepared in accordance with the Ministry's measurement bases or evaluation methods and Public Benefit Entity Standards and presents fairly, in all material respects:
 - what has been achieved with the appropriation; and

- the actual expenses or capital expenditure incurred in relation to the appropriation as compared with the expenses or capital expenditure that were appropriated or forecast to be incurred.
- The statements of expenses and capital expenditure have been prepared, 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 have been prepared, in all material respects, in accordance with the Treasury Instructions.
- The statement of trust monies for the year ended 30 June 2026 have been prepared, in all material respects, in accordance with the Treasury Instructions.

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, the International Standards on Auditing (New Zealand), and New Zealand Auditing Standard 1 (Revised): The Audit of Service Performance Information issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor for the information to be audited 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 and end-of-year performance information for appropriations that are fairly presented and comply with Public Benefit Entity Standards and legislative requirements.

This includes:

- the selection of elements/aspects of service performance, performance measures and/or descriptions, and measurement bases or evaluation methods to enable the presentation of end of year performance information for an appropriation that is appropriate and meaningful; and
- the preparation of end-of-year performance information for an appropriation in accordance with the Ministry's measurement bases or evaluation methods and Public Benefit Entity Standards and legislative requirements.

The Chief Executive is responsible on behalf of the Ministry for preparing Statements of expenses and capital expenditure, schedules of non-departmental activities managed by the Ministry on behalf of the Crown, and statement of trust monies in accordance with the Public Finance Act 1989 and Treasury Instructions.

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 audit, our procedures are limited to checking that the information agrees to the Estimates of Appropriations for the Government of New Zealand for the Year Ending 30 June 2026. For performance information for appropriations, we check any changes from the performance measures and standards in the Estimates of Appropriations to the Supplementary Estimates of Appropriations. For the forecast financial information for the year ending 30 June 2027, our procedures are limited to checking to the best estimate financial forecast information based on the Pre-election Economic and Fiscal Update for the year ending 30 June 2027.

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.
- In respect of the end-of-year performance information for appropriations, we:
 - obtain an understanding of the process applied by the Ministry to select its elements/aspects of service performance, performance measures and/or descriptions and the measurement bases or evaluation methods and evaluate whether these present an appropriate and meaningful assessment of the Ministry's service performance.
 - evaluate whether the end-of-year performance information for appropriations is prepared in accordance with the Ministry's measurement bases or evaluation methods, in accordance with Public Benefit Entity Standards.
- We evaluate whether the statements of expenses and capital expenditure, schedules of non-departmental activities, and statement(s) of trust monies have been prepared in accordance with legislative requirements.
- 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 all of the information included in the annual report other than 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 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) 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.



Ingrid Harris
The Audit Office
On behalf of the Auditor-General
Wellington, New Zealand
30 September 2026

Vote Social Development Non-Departmental Appropriations Report 2026

Pōti Whakahiato Ora Te Pūrongo o
ngā Tohanga Tūmataiti 2026

Presented to the House of Representatives pursuant to section 19B of the Public Finance Act 1989.

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Context

This report covers those non-departmental appropriations in Vote Social Development that are not reported to Parliament through other reporting mechanisms and are not exempt from performance reporting under section 15D of the Act.

The report outlines what was intended to be achieved by each appropriation and the results delivered by third-party service providers funded through Vote Social Development. It includes the non-financial and financial performance results for the relevant non-departmental appropriations for the period 1 July 2025 to 30 June 2026.

The relevant appropriations are:

Non-departmental output expenses:

- Community Participation Services
- Driver Licence Support.

Non-departmental other expenses:

- Out of School Care and Recreation Programmes.

Non-departmental output expenses funded through Multi-Category Appropriations (MCAs) within Vote Social Development are reported in MSD's Annual Report. Appropriations that are exempt from performance reporting, or are reported by other agencies, are listed at the end of this report.

This report is provided by the Minister for Social Development and Employment in accordance with section 19B of the Public Finance Act 1989.

This report does not form part of the Ministry of Social Development's (MSD's) Annual Report 2026. It is appended to MSD's Annual Report for the purpose of presentation to Parliament and publication.

The performance information in this report has not been audited.

Summary of performance

The following criteria has been used to support the reader in understanding performance:

- Commentary is provided for Estimates performance measures which did not meet the standard or exceeded the standard by more than 10 percent (MSD’s threshold for significance).
- Disclosures outline significant changes to measures, standards or methodology from 2024/25.
- Notes are used to provide additional information and explanations to support the reader to understand the measures. These follow the relevant tables.
- Contextual tables provide information on volumes and scale to help the reader better understand performance. Prior year information is provided, where available, for comparison.

Status indicators

Met or exceeded standard	
Did not meet the standard	

Non-departmental output expenses

Community Participation Services

Scope of appropriation: This appropriation is limited to the provision of services, resources, assistance and support to people so they can participate in and contribute to the wider community.

What is intended to be achieved with this appropriation: This appropriation is intended to achieve an increase in opportunities for disabled people to fully participate in their communities by enhancing the skills, knowledge and services available to them.

100%
achieved

Achieved 1 out of 1 performance measure

Performance information

This appropriation contributes towards the following services for disabled people:

- Community Participation
- Very High Needs
- Employment Service in Schools
- Transition from School
- Disability Enterprises, and
- Support Funds.

These services support disabled people and people with long-term health conditions to participate in their communities, prepare for and access employment, education, training, and successfully transition from school into adult life.

They include targeted support for students, young people with high needs, assistance with disability-related employment costs, and supported employment opportunities for those who face barriers to open employment.

2024/25 Actual	Measure	2025/26		
		Standard	Actual	Status
11,930	The number of disabled people supported to participate in their communities will be no fewer than (Notes 1 and 2)	10,200	13,692	✓

The standard was significantly exceeded. Expansion of the service in 2025/26 enabled additional community participation places to be offered, supporting more disabled people, including new clients accessing the service.

Note 1: The provider and the client discuss the client’s aspirations and goals with respect to participating and contributing to their communities and develop an individual plan for realising these goals. Goals can include developing skills for everyday living, participating in community activities, and contributing to the community through voluntary work and training.

Note 2: Clients may be counted more than once if they have participated in multiple funded disability support services, including where they transition between services based on their support needs.

Financial information

2024/25 Actual \$000	Financial performance (Figures are GST exclusive)	2025/26		
		Budgeted \$000	Revised \$000	Actual \$000
	Non-Departmental Output Expenses			
114,155	Community Participation Services	133,647	133,647	133,508
114,155	Total Expense	133,647	133,647	133,508

Driver Licence Support

Scope of appropriation: This appropriation is limited to providing driver licensing assistance to eligible people who face significant barriers to obtaining a driver licence.

What is intended to be achieved with this appropriation: This appropriation is intended to achieve equitable access to driver licences to improve employment, wellbeing and safety outcomes.

100%
achieved

Achieved 1 out of 1 performance measure

Performance information

The Driver Licence Support programme supports people who face barriers to obtaining a New Zealand driver licence. The programme supports participants to obtain a Class 1 learner, restricted or full driver licence. Community providers are funded to deliver driver licence support services through a national contracting framework.

2024/25 Actual	Measure	2025/26		
		Standard	Actual	Status
21,063	The contracted provision for the number of driver licence support places offered aligns with sector capacity and provides coverage for no less than (Disclosure 1 and Note 1)	20,000	23,289	✓

The standard was significantly exceeded. The Driver Licence Support programme was able to purchase additional driver licence support places by utilising underspend from participant-related driver licensing costs. Demand for driver licences exceeds programme availability therefore this ensured efficient use of funding to support as many eligible participants as possible.

Disclosure 1: The standard was increased to reflect the funding allocated for the 2025/26 financial year.

Note 1: This is a multi-agency initiative led by MSD and NZ Transport Agency Waka Kotahi. As it is shared, the measure relates to the driver licence support places across the entire initiative. The new MSD funding framework allows for associated programmes and partnerships at a regional level to contract driver licence support services.

Financial performance

2024/25 Actual \$000	Financial performance (Figures are GST exclusive)	2025/26		
		Budgeted \$000	Revised \$000	Actual \$000
	Non-Departmental Output Expenses			
18,975	Driver Licence Support	20,856	20,856	20,820
18,975	Total Expense	20,856	20,856	20,820

Non-departmental other expenses

Out of School Care and Recreation Programmes

Scope of appropriation: This appropriation is limited to the provision of assistance to Out of School Care and Recreation (OSCAR) programmes approved in accordance with regulations made under the Social Security Act 2018, to assist with the establishment and/or operating costs of OSCAR programmes.

What is intended to be achieved with this appropriation: This appropriation is intended to achieve increased opportunities for parents and caregivers to gain and sustain employment.

100%
achieved

Achieved 2 out of 2 performance measures

Performance information

This appropriation contributes towards the provision of quality, affordable out of school care and recreation programmes for school-age (five to 13 year-old) children to assist more parents and caregivers to participate in employment or training. OSCAR funding covers the delivery of before-school care, after-school care and school holiday programmes.

2024/25 Actual	Measure	2025/26		
		Standard	Actual	Status
New measure	Provide an opportunity for additional eligible programmes to access grant funding within the financial year (Disclosure 1 and Note 1)	Achieved	Achieved	✓
The standard was met. From 1 July 2025, we opened procurement for new sites and programmes to access funding. A further procurement round was opened for sites and programmes commencing from 1 July 2026.				
New measure	The percentage of OSCAR providers receiving a grant that are assessed as having met monitoring standards will be no less than (Disclosure 2 and Note 2)	90%	100%	✓
The standard was significantly exceeded. In 2025/26, we observed generally high standards across an increased sample size of providers visited.				

Disclosure 1: The previous measure regarding the percentage of identified service gaps filled a year was replaced with a higher-level measure which better reflects the intent of the funding to be widely available to eligible providers.

Disclosure 2: The previous measures regarding the percentage of providers that successfully meet attendance record quality sampling, and the percentage of OSCAR programmes that successfully meet monitoring requirements, were combined as the attendance record checking occurs during a monitoring assessment.

Note 1: This measure reflects MSD's aim to achieve an active and fair market by periodically providing opportunities for eligible programmes to apply for a grant.

Note 2: MSD visit a sample of providers each year to undertake monitoring assessments. The assessments include ensuring that providers maintain their requirements for having received a grant, reviewing the attendance records to ensure that attendance matches or exceeds funded places, assessing the general quality of delivery and observing child engagement. All providers are visited over time with priority given to those who are new or those at risk.

The following information is provided for context:

	2024/25	2025/26
Number of OSCAR providers (at 30 June 2026)	488	463

Financial performance

2024/25 Actual \$000	Financial performance (Figures are GST exclusive)	2025/26		
		Budgeted \$000	Revised \$000	Actual \$000
	Non-Departmental Output Expenses			
22,601	Out of School Care and Recreation Programmes	23,901	22,251	22,066
22,601	Total Expense	23,901	22,251	22,066

Appropriations not reported

The following non-departmental appropriations in Vote Social Development are not included in this report, for the reasons stated below.

To be reported in the Annual Report of the Children's Commissioner

Non-departmental output expense:

Children and Young People's Commission.

To be reported in the Annual Report of the Independent Monitor of the Oranga Tamariki System

Non-departmental output expense:

Independent Children's Monitor.

Non-departmental capital expenditure:

Independent Children's Monitor Capital Injection.

To be reported in the Annual Report of the Social Workers Registration Board

Non-departmental output expense:

Social Workers Registration Board.

Exempted from reporting under section 15D(1) of the Public Finance Act 1989 (Note 1)

Departmental output expense:

Corporate Support Services.

Exempted from reporting under section 15D(2)(b)(ii) of the Public Finance Act 1989 (Note 2)

Non-departmental output expense:

Supporting Equitable Pay for Care and Support Workers.

Non-departmental benefit or related expenses:

Accommodation Assistance

Childcare Assistance

Disability Assistance

Emergency Housing Assistance

Hardship Assistance

Jobseeker Support and Emergency Benefit

New Zealand Superannuation

Orphan's/Unsupported Child's Benefit

Sole Parent Support

Special Circumstance Assistance

Student Allowances

Study Scholarships and Awards

Supported Living Payment

Training Incentive Allowance

Transitional Assistance

Veteran's Pension

Winter Energy Payment

Work Assistance

Youth Payment and Young Parent Payment.

Non-departmental other expenses:

Apprentice Support

Debt Write-downs

Reimbursement of Income-Related Rent Overpayments

Redress Payments category in the Redress for Abuse in Care MCA.

Non-departmental capital expenditure:

Recoverable Assistance

Student Loans.

Exempted from reporting under section 15D(2)(b)(iii) of the Public Finance Act 1989 (Note 3)

Non-departmental output expenses:

Housing Place-Based Approaches

Student Placement Services

Improving Children's Participation in Education category in the Community Support Services MCA

Provision to better prepare people to access and sustain private rentals category in the Housing Support Assistance MCA.

Non-departmental other expenses:

Emergency Housing Support Package

Extraordinary Care Fund

Note 1: Under section 15D(1), a departmental appropriation or category may be exempted from reporting if it relates exclusively to outputs supplied by a department to one or more other departments.

Note 2: Under section 15D(2)(b)(ii), a non-departmental appropriation or category may be exempted from reporting if end-of-year performance information is not likely to be informative in the light of the nature of the transaction or causal event giving rise to the expenses or capital expenditure.

Note 3: Under section 15D(2)(b)(iii), a non-departmental appropriation or category may be exempted from reporting if the amount of the annual appropriation or the projected amount of the expenses or non-departmental capital expenditure in the category is less than \$5 million for expenses or less than \$15 million for capital expenditure.



**MINISTRY OF SOCIAL
DEVELOPMENT**

TE MANATŪ WHAKAHIATO ORA