



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

# Report

**Date:** 6 December 2024 **Security Level:** BUDGET SENSITIVE

**To:** Hon Louise Upston, Minister for Social Development and Employment

**File Reference:** REP/24/12/1129

## Budget 2025 – draft Ministerial submission letter and updated advice

### Purpose

- 1 The purpose of this report is to provide you with:
  - a draft Ministerial submission letter (attached as Appendix One),
  - an updated summary of the Budget 2025 and Budget 2026 invited initiatives (attached as Appendix Two), and
  - the Vote Social Development: Multi-year savings strategy (attached as Appendix Three).

### Recommended Actions

It is recommended that you:

- 1 **provide feedback** on the draft Ministerial submission letter for the 2025 Budget round (attached as Appendix One)
- 2 **discuss** the updated summary of the Budget 2025 and Budget 2026 invited initiatives (attached as Appendix Two) and Vote Social Development: Multi-year savings strategy (attached as Appendix Three), with MSD officials at the officials' meeting on Tuesday 10 December 2024
- 3 **note** that the Ministry of Social Development recommends discussing the targeted policy savings proposal <sup>s9(2)(f)(iv)</sup> [REDACTED]

Sacha O'Dea  
Deputy Chief Executive, Strategy and Insights

6/12/2024

Date

Hon Louise Upston  
Minister for Social Development and Employment

Date

## Draft Ministerial submission letter

- 2 You received the Vote Social Development Budget 2025 invitation letter (the invitation letter) from the Minister of Finance on 18 November 2024. The invitation letter specifies a deadline of Monday 23 December 2024 for:
  - MSD to submit Budget 2025 templates to the Treasury, and
  - you to provide a Budget 2025 submission letter to the Minister of Finance.
- 3 Note that MSD is proposing that these documents be submitted on Friday 20 December. In line with the timeline outlined in our advice on 29 November 2024 (REP/24/11/1092 refers), a draft Ministerial submission letter for Budget 2025 is attached for your feedback (attached as Appendix One). We will provide you with an updated version of this letter by 13 December 2024, for your office to submit to the Minister of Finance the following week.


## Updated Summary of Budget 2025 invited initiatives

- 4 On 29 November 2024, we also provided you with advice to support your Budget 2025 bilateral meeting with the Minister of Finance, which included a summary of Budget 2025 invited initiatives (REP/24/11/1089 refers).
- 5 An updated summary of initiatives following the bilateral (including fiscal impacts, impacts on clients, and next steps for each initiative) is attached as Appendix Two. This includes initiatives for delivery over both Budget 2025 and 2026.
- 6 Note that this appendix contains the latest advice, and this information (including fiscal impacts) is still under development and subject to change. This material will be finalised in advice sent ahead of initiative submissions.

## Multi-year savings strategy

- 7 As discussed with officials and the Minister of Finance at your bilateral meeting, we have developed a multi-year savings strategy to offset Cost Pressures and your priority New Spending initiatives (attached as Appendix Three).
- 8 Cost savings from Vote Social Development detailed in the multi-year savings strategy exceed the funding requirements, when considering Disability Support Services and the Government's response to the Royal Commission's Report into Historical Abuse in State Care separately.

s9(2)(f)(iv)



## Next steps

- 11 Following your discussion with officials on Tuesday 10 December, and your feedback on the draft Ministerial submission letter, we will:
  - continue to develop Budget 2025 templates, and
  - provide you with updated advice regarding your Budget 2025 package, including an updated Ministerial submission letter, on 13 December 2024.

## Appendices

Appendix One – Draft Ministerial submission letter

Appendix Two – Summary of the Budget 2025 and Budget 2026 invited initiatives

Appendix Three – Vote Social Development: Multi-year savings strategy

RELEASED UNDER THE  
OFFICIAL INFORMATION ACT