

Office of the Minister for Social Development and Employment

Cabinet Government Administration and Expenditure Review Committee

TE PAE TAWHITI TRANSFORMATION PROGRAMME: BUSINESS CASE FOR INVESTMENT IN THE MINISTRY OF SOCIAL DEVELOPMENT'S FUTURE

Proposal

- 1 This paper seeks agreement to the preferred way forward for the Ministry of Social Development's (MSD) Te Pae Tawhiti Transformation Programme, as identified in its Programme Business Case (Attachment 1).

Link to Government priorities

- 2 Te Pae Tawhiti Transformation Programme will ensure MSD has a service model that supports an overhaul of the welfare system and minimises the risks and problems outlined in Te Pae Tawhiti Strategic Assessment that Cabinet agreed to in November 2021 [CAB-21-MIN-0472 refers] and that is reiterated in the attached Programme Business Case.
- 3 This investment also represents a key opportunity to support the Government work programme of reducing the impact of debt, through mitigating the role MSD systems and processes can play in the occurrence and impact of government debt, especially for those in hardship.

Executive Summary

- 4 In November 2021, I brought a Strategic Assessment to Cabinet that made a case for transforming MSD's service model. Cabinet agreed that MSD proceed with the development of a Programme Business Case [CAB-21-MIN-0472 refers].
- 5 This Government remains committed to overhauling the welfare system, to ensure it meets the current and future needs and expectations of New Zealanders, by continuing significant investment to achieve this vision. For the welfare overhaul to be successful, MSD needs to be able to respond to a changing social landscape and be equipped to deliver effective, timely, and mana-enhancing supports and services.
- 6 A large transformation programme is needed to fundamentally transform MSD's service model – and, thereby, realise the Government's vision of welfare overhaul and respond to the problems identified in Te Pae Tawhiti Strategic Assessment. Without a transformation programme, MSD cannot address these challenges and will still require significant investment in legacy systems.
- 7 At the core of MSD's transformation programme is a Future Service Model that will enable MSD to better understand, connect to, deliver for, and support

clients, their whānau, and communities. This transformed service model must be supported by transformed technology.

- 8 MSD has followed Treasury Better Business Case guidance to identify a preferred way forward for this transformation programme – Option 3: Transform. This option transforms all the major processes and underlying technology that provide income, employment, and housing support to seniors, students, and working-age clients. It enables modern digital platforms and strengthened case management practice to improve client experience and outcomes, as well as effective operation with MSD’s partners across the welfare sector, both government and non-government.
- 9 Transforming MSD’s processes, technology, and staff capability will enable the implementation of the Future Service Model. Accessing services will be simpler, easier, and fully digital for those who want it. Simple and joined-up services will enable consistent delivery of full and correct entitlements – and decrease debt from overpayment, a key action under the debt to government work programme. Case managers will have more time to focus on helping clients that most need support. Transparent processes that provide a whole-of-client view will make it easier and more attractive for iwi, community, and employment partners to provide services in coordination with MSD.
- 10 The estimated cost of the programme over its intended lifespan (ten years) is \$2.1 to \$2.6 billion – \$342 million capital and \$2,285 million operating. MSD will contribute about \$100 million from its balance sheet.
- 11 While this programme will be a major undertaking, it will deliver significant benefits to over a million New Zealanders who access MSD support and services. Delaying the programme, or choosing another option for transformation, will also incur significant costs – without delivering the enduring value provided by Option 3: Transform.
- 12 MSD has a long and successful history of delivering change. It is well-practiced in delivering change early and incrementally, which allows it to adapt as needed. Incremental delivery also offers the Government choices as programme delivery progresses.
- 13 Structures have been put in place to manage the comprehensive level of change – including a programme governance structure, a phased delivery approach, plans for benefit realisation and risk management, and assurance arrangements.
- 14 I am recommending that the Committee support the preferred way forward and agree to receive a Detailed Business Case (DBC) in early 2023 that supports Budget 2023 funding for the first phase of the Programme. This DBC will outline the projects that will require funding in the first phase of the transformation programme.

Background

- 15 In August 2018, MSD set a new strategic direction: *Te Pae Tawhiti – Our Future*. This sets out what MSD wants to achieve as an organisation and how they are going to get there. Te Pae Tawhiti focuses on making three key shifts:
- 15.1 *Mana manaaki* – A positive experience every time
 - 15.2 *Kotahitanga* – Partnering for greater impact
 - 15.3 *Kia takatū tātou* – Supporting long-term social and economic development.
- 16 In 2019, the Welfare Expert Advisory Group stated that our "current welfare system is no longer fit for purpose and needs fundamental change"¹.
- 17 In November 2021, I brought a Strategic Assessment to this Committee that described the need for change in the following problem statements:
- 17.1 MSD's fragmented, transactionally focused service approach will not meet the future needs and expectations of New Zealanders.
 - 17.2 The high and increasing likelihood of service and payment failure risks causing serious harm to clients, partners, and New Zealand.
 - 17.3 MSD's current service model can make it difficult for clients to get help, which could result in harm and exacerbate hardship.
- 18 Delivering on *Te Pae Tawhiti* strategic shifts and addressing the problems outlined in the Strategic Assessment will require significant investment to completely transform the way MSD engages with clients and partners to deliver services. This will require major investment in staff capability, business processes, and technology.
- 19 Te Pae Tawhiti Strategic Assessment was agreed at Cabinet on 15 November 2021. It sought agreement to the case for transforming MSD's operating model and to proceed with the development of a Programme Business Case [CAB-21-MIN-0472 refers].

Te Pae Tawhiti Transformation Programme will address the problems outlined in the Strategic Assessment

- 20 The Government remains committed to overhauling the welfare system and has already implemented significant lifts in income support, removed several sanctions, and supported MSD to make improvements to service culture. The Government has also committed to a programme of work to address debt to government, including overpayments to MSD, which has a significant impact on low-income families.

¹ See "Whakamana Tāngata", Welfare Expert Advisory Group, February 2019 p. 5.

- 21 However, the Government's vision for the future welfare system cannot be fully realised with MSD's current service model – which is not sufficiently adaptive to deliver new and improved services at pace.
- 22 MSD must move its thinking from a transactional benefits payment mentality to a person-centric approach in all that it does, where it empowers clients to choose how they want to engage, whether online or face-to-face. It needs to infuse this approach through how it interacts with clients, whānau, hapū, iwi, community, and its public, not-for-profit, and private sector partners. MSD's service model needs to be one that adapts to meet the diverse needs of New Zealanders, especially for Māori and Pacific people. This will require MSD to undergo a significant transformation journey.
- 23 MSD's systems are expensive to change and maintain – the Government is already investing significant amounts in keeping the systems operational, but this investment is not achieving improved client outcomes. The complexity and age of the systems is causing a critical risk of technology failure. These complex systems make it difficult for clients to access the support they are entitled to.
- 24 A large transformation programme is needed to fundamentally transform MSD's service model – and, thereby, realise the Government's vision of welfare overhaul and respond to the problems identified in the Strategic Assessment – Te Pae Tawhiti Transformation Programme (the Programme). Without a transformation programme, MSD cannot address these challenges.
- 25 At the core of the Programme is a Future Service Model that will enable MSD to better understand, connect to, deliver for, and support clients, their whānau, and communities. The Future Service Model consists of five core components, which enables MSD to:
- 25.1 better understand what people need from MSD or its partners
 - 25.2 respond early to people at risk of falling into hardship
 - 25.3 connect people to the right service through MSD and/or its partners
 - 25.4 deliver an effective service from MSD that provides the right level of service intensity
 - 25.5 help people to sustain their outcomes.
- 26 The Future Service Model envisages tiered services that will provide the range of support clients need – from channels providing full self-service, which will work for large numbers of clients, through to intensive case management. MSD staff and partners are enabled to support clients to move through these channels, as required to meet their needs.
- 27 The Future Service Model will be enabled by the transformation of MSD's business processes. Automated business processes free up staff time, allowing them to spend more time on case management for clients in need. Simplified business processes make it easier for clients to navigate the

welfare system and create transparency that allows them to understand their entitlements and obligations.

- 28 Transformed business processes are, in turn, enabled by the modernisation of systems and technology. This includes:
 - 28.1 Modernised systems, data, and information.
 - 28.2 Enabling most clients to digitally seek the help they need (where this works for them).
 - 28.3 Delivering the tools and support MSD staff need to realise the Future Service Model.
- 29 For MSD to deliver these transformed services it will need to transform the capability of its staff, moving them from a back-office processing focus as in the current model, to a front-office client service focus in the Future Service Model, so that they can make more of a difference in the lives of clients and their whānau.
- 30 MSD expects to realise both monetary and non-monetary benefits through the Programme:
 - 30.1 Improved equity – outcomes for Māori and Pacific peoples will improve across all benefit areas. This is an overarching benefit – the realisation of each of the following benefits will be specifically tracked for Māori and Pacific peoples.
 - 30.2 Improved wellbeing of people in need – by responding early, understanding people's needs, and providing the right services at the right time, MSD reduces the amount of time people are in the system. This ensures fewer people end up in debt and empowers people to achieve their goals.
 - 30.3 Improved effectiveness and efficiency of services – by improving its systems, processes, and capabilities, MSD will create efficiencies and improve the effectiveness of services provided.
 - 30.4 Improved system agility and resilience – modern and improved systems will ensure MSD can implement government policy quickly and effectively, and will significantly reduce the overall risk of system failures.
 - 30.5 New Zealanders have improved trust and confidence in MSD – by providing mana-enhancing services that deliver full and correct entitlements, MSD will improve people's trust and confidence in the organisation.
- 31 MSD is aware that other government agencies are also about to undertake major transformation programmes. If the Programme was to be delayed, MSD would still require significant funding to keep its systems operational – without realising the benefits of a transformed service model. These benefits would

impact many clients who also come into contact with the other agencies embarking on transformation programmes – causing positive flow-on effects throughout the system.

MSD has developed a Programme Business Case that identifies a preferred way forward for the Programme

- 32 MSD has developed a Programme Business Case (Attachment 1) to identify a preferred way forward and a delivery approach for the Programme. MSD followed Treasury Better Business Case guidance to identify a preferred way forward – the option that optimises costs, benefits and risks for New Zealanders, the Government, and MSD.
- 33 The preferred way forward was developed through an extensive process of analysis and engagement. Workshops with MSD staff, Treasury and Government Chief Digital Officer (GCDO) representatives were used to develop assessment criteria, critical success factors, and undertake options analysis.
- 34 The Programme Business Case includes four short-listed options:
- 34.1 Option 1: De-risk (Do minimum) – In accordance with Treasury guidelines, MSD has included a “do minimum option”. It would deliver the existing services within the constraints of existing systems and business processes. Services and technology would continue to be patched-up, addressing only large-scale risk. It would keep ageing and at-risk systems functional and existing processes intact, with a best-effort approach to prevent system failure. It would not change the service model.
- 34.2 Option 2: Re-platform – This option would involve the progressive replacement of core technology systems. It would address and mitigate risks around core systems with some process improvement occurring over time. Selected key systems would be renewed, with minimal change to the business processes and service model. Technical debt would gradually be reduced and alignment with the government digital strategy would increase. It would not change the service model.
- 34.3 Option 3: Transform (preferred) – This option would transform MSD’s service model, business processes, and technology. It would raise staff capability to operate the transformed service model. Current barriers to delivering to government requirements would be eliminated, improving the client experience and outcomes. It would modernise technology infrastructure, systems, data, and information and align with government digital standards and principles. MSD’s service model and business processes would be transformed to support fully integrated services, with a tiered service delivery model and greater integration, where appropriate, with MSD’s partners.
- 34.4 Option 4: Extend services – This option would build on Option 3. It would not only transform service delivery but also take on additional

services currently provided by other agencies as part of an All-of-Government approach. MSD's service model would change in the same ways as Option 3, but with further changes – including extending current services to more clients, providing a more intensive service to some clients, or a combination of both.

- 35 Option 3: Transform has been identified as the preferred way forward. I agree that it is the best option, as it will:
- 35.1 Enable complete renewal and modernisation of MSD's technology, business processes, use of data and information, and staff capability. Its systems will be resilient, flexible, joined-up and will align with the Government Digital Strategy.
 - 35.2 Enable modern digital self-service for clients who prefer it, right across income, employment, and housing support. With digital employment self-service, more people (not just existing clients) will be able to access MSD employment platforms – better supporting them to re-enter or remain in the workforce.
 - 35.3 Enable joined-up services from MSD, partners, and other sector agencies. These services will be delivered through channels that work best for clients and address their whole-of-life circumstances and that of their whānau.
 - 35.4 Allow MSD to redesign, simplify, and (where possible) automate its business processes as technology is updated and integrated. This will enable simpler and more consistent support of full and correct entitlement and make it easier for clients to understand their obligations – reducing debt to government.
 - 35.5 Allow staff to spend more time on case management for clients in need, focusing particularly on employment outcomes. Improving digital self-service and process automation will give staff more time to work with higher-needs clients.
 - 35.6 Improve the experience of MSD's community partners by supporting long-term positive relationships built on trust and confidence. Integrated systems will help MSD and partners build a complete view of clients' circumstances – giving partners the information they need to help people and whānau. These integrated systems will also better join-up funding and procurement approaches across-government, so that agencies are contracting with partners in a consistent and transparent manner.
 - 35.7 Give MSD the ability to change, extend, and add new services more quickly to respond to government priorities, changing demands and needs of our society.
- 36 By making these changes to MSD's business processes, systems, technology, digital experience, and partner experience, Option 3: Transform

will enable MSD to implement its Future Service Model – fundamentally transforming the way it delivers services to clients and achieves client outcomes.

- 37 The other options were not preferred because:
- 37.1 while Option 1: De-risk is affordable and achievable, it will not support increased client outcomes – and will result in growing delivery risk and reduced agility to support the requirements (and commitments) of government
 - 37.2 Option 2: Re-platform addresses the technology risk but does not take advantage of the business process and service model changes that could be achieved through new technology – creating a wasted opportunity for investment and delivering low value for money
 - 37.3 Option 4: Extend Services uses the platforms created in Option 3 and extends the services delivered to those currently delivered by other agencies. The extension of the services delivered creates uncertainties as these services have not yet been defined and government’s appetite for MSD to deliver extended services is not yet confirmed.
- 38 There is scope in the preferred option for decisions to be made on the pace of rollout and the extent of digital transformation. Further thinking on this will be undertaken in the first DBC.

A procurement strategy has been developed for delivering the preferred way forward

- 39 Transformations of this scale require strong specialist capability across governance, programme management, integration, design, implementation, change management, and specialist technical skills. MSD does not have all of the required capacity or capability internally so will need to go to market to supplement its own expertise.
- 40 MSD will utilise established policies and processes, which follow Government Procurement Rules, to ensure that the procurement of partners is tailored to the needs of the service or deliverable.
- 41 MSD expects the market to be tight and that its demand may outweigh supply, particularly in the first phases of the Programme due to the ongoing response to the COVID-19 pandemic. It will seek to be attractive to the market and explore opportunities to unlock mutual benefits for both parties, so they can attract and retain key supply partners. This approach also ensures opportunities for New Zealand supply partners.

Costs will be significant for all the identified options – but Option 3: Transform delivers enduring value

- 42 The Programme is planned as a ten-year transformation programme – beginning in FY24. The first few years of the Programme intends to deliver

value with a focus on digital services and foundations for case management change.

- 43 MSD has developed a model that includes capital expenditure, implementation costs, funding required for co-existence, and existing funding. Treasury and GDCO were informed of this approach.
- 44 The estimated cost of Option 3: Transform over its intended lifespan is \$2.1 to \$2.6 billion – \$342 million capital and \$2,285 million operating over the ten-year timeframe. MSD will contribute about \$100 million from its balance sheet. The Chief Executive and the Senior Responsible Owner have endorsed the required level of funding.
- 45 For comparison, the cost of Option 1: Do-minimum – which keeps ageing and at-risk systems functional and existing processes intact – is estimated to cost \$1 billion over the same timeframe. Option 2: Re-platform – which progressively replaces core systems but delivers minimal service improvements – is estimated to cost \$1.2-\$1.7 billion over the same timeframe.
- 46 These options will fix some issues with MSD’s technology and systems but also present significant costs and will not realise the transformed service model delivered by Option 3: Transform.

Structures have been put in place to manage the comprehensive level of change

- 47 The size of the Programme will be on par with the transformation programmes being undertaken by Inland Revenue and the Accident Compensation Corporation. MSD has been regularly meeting with senior leaders from these transformation programmes to incorporate lessons learnt into its planning.
- 48 Implementing changes to MSD’s service model, business processes, and technology will require coordination across MSD and its partners. MSD has developed a change management approach to delivering this large transformation programme. The approach consists of:
- 48.1 Utilising MSD’s long and successful history of delivering change. It is well-practiced in delivering change early and incrementally, which allows it to adapt as needed. Incremental delivery also offers the Government choices as programme delivery progresses.
- 48.2 An updated governance structure to best meet the needs of the Programme – consisting of existing MSD governance groups supported by independent advisors, and a fit-for-purpose Programme management structure.
- 48.3 Phased delivery set out in five ‘Horizons’, a term used to describe the period within which particular Programme projects are completed. Importantly, Horizons do not represent significant end points at which big delivery drops occur – the work being done within each Horizon will

be adaptive and flexible so MSD can learn, adjust, and respond to changes.

- 48.4 Continuing the development of a plan that ensures the identified benefits (paragraph 30) are realised, and a register to articulate and track the benefits being delivered by the Programme.
 - 48.5 A Risk and Issues Management Strategy that enables the regular identification, assessment, recording and review of risks. Regular governance touchpoints will ensure oversight.
 - 48.6 Programme and business assurance arrangements. MSD's assurance approach is aligned with the GCDO's principles of good assurance and guidance for incremental delivery. Internal and external assurance practices include regular reporting to Programme and MSD governance groups, regular meetings with central monitoring agencies, ongoing Gateway Reviews, and regular independent quality assurance.
- 49 It is important to note that MSD will have limited capacity to take on new work during the Programme, due to its significant impact. Change management planning has accounted for MSD's current work Programme and business-as-usual work, to ensure these will continue to run smoothly during transformation.

Next steps

- 50 The PBC is asking for an agreement on the preferred way forward, not seeking funding. MSD has put forward a Budget 2022 bid, separate to the PBC, for funding to support the design of the future operating model and some of the foundational projects planned for the first few years of the Programme. MSD is also funding some of this detailed design work out of baseline. This work will enable a DBC to be constructed, which will provide a foundation for decisions on Budget 23 funding.
- 51 Following this design work, and Cabinet's endorsement, I will report back with a DBC that:
- 51.1 outlines the projects for which MSD will be requesting funding in Budget 23
 - 51.2 demonstrates that the projects seeking funding for Budget 23 are investment ready
 - 51.3 demonstrates that MSD has the capability and capacity to deliver the projects in the DBC and can manage co-existence and risks satisfactorily
 - 51.4 provides Ministers with options on the pace of rollout, sequencing, and the extent of digital transformation.

- 52 The projects that the first DBC will explore are those that lay the foundations for digital services and case management change. These include:
- 52.1 Creating a modern digital experience for clients.
 - 52.2 Enabling New Zealanders to access digital employment services.
 - 52.3 The development of new case management practices fundamental to the Future Service Model.
 - 52.4 Significant improvements in contract management to allow more efficient and effective partnering.
- 53 MSD will continue to engage KPMG to provide independent quality assurance to assess the Programme as a DBC is developed, in line with best practice.
- 54 MSD will continue to engage with key stakeholder groups as it develops the DBC, including clients and partners. MSD's Māori Reference Group and Pacific Reference Group will have a key role as external advisors in the validation and refinement of the DBC.
- 55 I expect MSD's engagement approach to be consistent with Māori interests in the overhaul of the welfare system.
- 56 MSD have sought advice from Te Arawhiti for advice on engagement with Māori as partners in Te Tiriti o Waitangi, Māori representation in Programme governance, and broader considerations around engaging with Māori. The agencies will continue an open dialogue through DBC development.

Financial Implications

- 57 **MSD cannot fund the Programme out of baseline.** The estimated cost of transformation takes account of existing funding received in both Budget 2020 and Budget 2021, that was provided to reduce risk of critical systems. The model also includes a portion of baseline capital to fund some of the capital investment required for the Programme.
- 58 MSD has put forward a Budget 2022 bid, separate to the PBC, for funding to support the design of the future operating model and some of the foundational projects planned for the first few years of the Programme. This bid was not included in the model, as the amount had not been confirmed at the time of modelling.
- 59 As MSD further investigates the cost of service delivery post-transformation, it will be able to identify the impact of this investment on its cost base. **MSD proposes that the additional funding required is supported by subsequent DBCs as part of the Programme.**
- 60 The first DBC will **outline the projects that will be completed in the first year of the Programme, and will require funding in Budget 2023. Budget 2023 funding will be the first of several significant funding rounds for the Programme.**

- 61 The approach to funding will be to bring back further DBCs that align with the horizons of the Programme. At each of these – will be opportunities for Ministers to make decisions.

Legislative Implications

- 62 There are no legislative implications arising directly from the Programme Business Case.
- 63 Other agencies who have implemented transformation programmes have needed primary legislative reform, usually to enable changes to service delivery models. In MSD's case, some of this change may be carried through the Welfare Overhaul work programme – which is aligned with the Transformation Programme. In my report back, I will update the Committee on any need for legislative change.

Impact Analysis

- 64 A Regulatory Impact Analysis is not required at this time, as this proposal does not seek legislative change.

Population Implications

- 65 There will be no direct impacts on population groups from the proposal to agree to a preferred way forward and proceed to a DBC.
- 66 However, this proposal is a key step towards improving outcomes and experience for key population groups.
- 67 I expect the DBC to outline specific impacts on population groups, with particular emphasis on:
- 67.1 how outcomes will improve for Māori, Pacific peoples, disabled people, and seniors
 - 67.2 how to mitigate the impact of digital services on vulnerable communities where access to digital resources and knowledge is not guaranteed.

Human Rights

- 68 The PBC is consistent with the Human Rights Act 1993 and the New Zealand Bill of Rights Act 1990.

Consultation

- 69 The following departments were consulted on this Cabinet paper: Accident Compensation Corporation; Department of Corrections; Department of Internal Affairs; Department of Prime Minister and Cabinet; GCDO; Inland Revenue; Kāinga Ora, Ministry of Business, Innovation and Employment; Ministry of Education; Ministry of Foreign Affairs and Trade; Ministry of Health; Ministry of Housing and Urban Development; Ministry of Justice; Ministry for

Pacific Peoples; Ministry for Women; Oranga Tamariki; Social Wellbeing Agency; Te Arawhiti; Te Puni Kōkiri; and Treasury.

- 70 MSD has also undertaken another Gateway Review to gain external, expert feedback on the status of the Programme, including the PBC. The Review team were supportive of the PBC and endorsed its submission to Cabinet, suggesting some minor changes that have now been incorporated.

Proactive Release

- 71 I intend to release this paper proactively, subject to redactions consistent with the Official Information Act 1981.

Recommendations

The Minister for Social Development and Employment recommends that the Committee:

- 1 **note** that, at their meeting on 15 November 2021, Cabinet agreed to the case for transforming MSD's operating model and to proceed with the development of a Programme Business Case [CAB-21-MIN-0472 refers]
- 2 **note** that Te Pae Tawhiti Transformation Programme (the Programme) aims to transform MSD's service model into one that will better understand, connect to, deliver for, and support clients, their whānau, and communities
- 3 **note** that, through an extensive process of analysis and engagement, MSD developed four short-list options for transformation and used these to develop a preferred way forward
- 4 **agree** that Option 3: Transform – which encompasses redesigning MSD's operating model to support fully integrated services, with a tiered approach, supported by redesigned business processes and renewed technology platforms – is the preferred way forward
- 5 **note** that there is scope in the preferred option for decisions to be made on the pace of rollout, sequencing, and the extent of digital transformation and that further thinking on this will be undertaken in the first DBC, with corresponding decisions for Cabinet
- 6 **note** that MSD does not have the required capacity or capability internally so will need to go to market to supplement its own expertise
- 7 **note** that the estimated cost of implementation is \$2.1–\$2.6 billion over a ten-year timeframe
- 8 **note** that the cost of maintaining MSD systems and existing process is estimated at \$1 billion over the same ten-year timeframe
- 9 **note** that MSD will deliver change early and incrementally, enabling change adaptation and choices for the Government as delivery progresses

- 10 **note** that MSD has put in place arrangements for good governance, benefits realisation, risk management and assurance processes for the Programme
- 11 **note** that MSD will have limited capacity to take on new work during the Programme, due to the significant impact of transformation on its current work programme
- 12 **note** that MSD has submitted a Budget 22 bid for funding to proceed with the detailed design of the projects planned for the first few years of the Programme
- 13 **invite** the Minister for Social Development and Employment to report back in early-2023 to the Cabinet with a Detailed Business Case to:
 - 13.1 **outlines the projects for which MSD will be requesting funding in Budget 23**
 - 13.2 **demonstrate that the projects seeking funding for Budget 23 are investment ready**
 - 13.3 demonstrate that MSD has the capability and capacity to deliver the projects in the Detailed Business Case and can manage co-existence and risks satisfactorily
 - 13.4 provides Ministers with options on the pace of rollout and the extent of digital transformation
- 14 **note** that the projects that the first DBC will explore are those that lay the foundations for digital services and case management change – including:
 - 14.1 creating a modern digital experience for clients
 - 14.2 enabling New Zealanders to access digital employment services
 - 14.3 the development of new case management practices fundamental to the Future Service Model
 - 14.4 significant improvements in contract management to allow more efficient and effective partnering
- 15 **note** that Budget 23 funding will support the first Horizon and that further DBCs will be presented to Cabinet to support future funding decisions, in alignment with the Programme Horizons.

Authorised for lodgement

Hon Carmel Sepuloni

Minister for Social Development and Employment

Appendices

Attachment 1: Te Pae Tawhiti Transformation Programme Business Case