



18 December 2023

Tēnā koe

Official Information Act request

Thank you for your email of 23 November 2023, requesting information about the \$87m savings in Budget 2023 and the proposed \$60.3m baseline reduction from 1 July 2024.

I have considered your request under the Official Information Act 1982 (The Act). Please find my decision on each part of your request set out below.

Please detail in what areas the \$87m savings were made. Provide as much detail as possible in regards to the services and/or jobs that were impacted as a result.

I refer you to page 26 of the following link that provides the appropriation changes for the Ministry of Social Development – Departmental Savings from 2023/24 and outyears. This initiative was approved as part of the Budget 2023.

- www.treasury.govt.nz/sites/default/files/2023-08/b23-frs-socdev-sig-4779876.pdf

The Ministry identified \$87 million in departmental savings from 2023/24 to 2026/27, a breakdown of which is provided as **Table One**.

Table one: a breakdown of the \$87 million savings identified in Budget 2023

Reprioritisation opportunity	Commentary
MSD National Office	Reducing MSD's National Office footprint could save approx. \$3.107m per year (\$6.214m over the forecast period). Savings would be realised from the 2024/25 financial year onwards.
Fleet	Some potential efficiencies in fleet have been considered but will take time to realise. This work will feed into work already underway as part of the Carbon Neutral Government Programme (CNGP).

Reprioritisation opportunity	Commentary
Procurement efficiencies	Reductions in 1ST contracts have been considered and may result in saving of approx. \$9.200m per year (\$18.400m over the forecast period). Savings would not be realised until the 2024/25 financial year.
Travel	Overall expenditure on travel could potentially be reduced by approx. 10% (\$0.723m) per year (\$2.892m over the forecast period)
Annual Leave Liability	MSD's average annual leave liability could potentially be reduced by one day per FTE, which would result in a savings of about \$2.8m per year (\$11.2m over the forecast period)
Savings target	The Ministry will reduce its annual budget by \$12m per year
Overall	\$15.523m in the first two years and \$27.83m in outyears

The savings identified from the reprioritisations will help to offset the following initiatives:

- \$80 million for Te Pae Tawhiti
- \$56 million to continue the expanded Flexi-wage programme
- \$40 million for employment programmes that respond to the recent extreme weather events in the North Island
- \$36 million for additional frontline roles
- \$28 million to continue the Mayors' Taskforce for Jobs

For more information, I refer you to the following link providing the Treasury Report: Outstanding Vote Social Development decisions for Budget 2023, 10 March 2023:

- www.treasury.govt.nz/sites/default/files/2023-08/b23-t2023-368-4770042.pdf

Please provide more detail as to who specifically asked the Ministry to reduce its baseline by \$60.3m. Please provide as much detail as possible in regards to what the areas are where savings will be made, what services and/or jobs will be impacted.

In June 2023, the former Minister of Finance wrote to all Ministers regarding the introduction of a Fiscal Sustainability and Effectiveness Programme (FSEP), to help the Government achieve its goals in the challenging fiscal environment.

On 28 August 2023, the Government announced a goal of \$60.300 million in savings for each financial year from 2023/24 to 2026/27 for the Ministry. I refer you to the following link to the release published on the Beehive website:

- www.beehive.govt.nz/release/government-tightens-belt-and-clamps-down-spending-consultants-and-contractors

In regards to information relating to the \$60.3 million savings target, this is withheld under section 9(2)(ba)(ii) of the Act - to protect information which is subject to an obligation of confidence, where the making available of the information would be likely otherwise to damage the public interest. The countervailing public interest has been met with the release of the other information provided in this response.

Finally, I note that in your request you asked for all documents of any nature, including but not limited to any correspondence, text messages, memos, notes and advisory notes, and emails relating to these matters. Your request for all documents is very broad, and substantial manual collation would be required to locate and prepare all documents within scope of your request. As such, I refuse your request under section 18(f) of the Act. Public interest has been met with the supply of the documents provided in this response along with information that is proactively released as part of Budget announcements. I believe the greater public interest is in the effective and efficient administration of the public service.

I have considered whether the Ministry would be able to respond to your request given extra time, or the ability to charge for the information requested. I have concluded that, in either case, the Ministry's ability to undertake its work would still be prejudiced.

I will be publishing this decision letter, with your personal details deleted, on the Ministry's website in due course.

If you wish to discuss this response with us, please feel free to contact OIA_Requests@msd.govt.nz.

If you are not satisfied with my decision on your request, you have the right to seek an investigation and review by the Ombudsman. Information about how to make a complaint is available at www.ombudsman.parliament.nz or 0800 802 602.

Yours sincerely



Magnus O'Neill
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Ministerial and Executive Services