



16 July 2024

Tēnā koe

Official Information Act request

Thank you for your email of 24 May 2024, requesting correspondence from the Ministry of Social Development (the Ministry) to the Children and Young People's Commission and the Social Workers Registration Board outlining strategic direction and specific priority expectations for the 2024 and 2025 Financial Years.

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

The Ministry is the monitoring agency for the Children and Young People's Commission and Social Workers Registration Board. As a monitoring agency, the Ministry's role is to assist the responsible Minister to carry out his or her role, as defined by section 27 of the Crown Entities Act 2004.

The Ministry engages regularly with the Crown entities it is responsible for in its capacity as a monitoring agency. This engagement may include conversations relating to the topics raised in your request.

Furthermore, Crown entities may receive correspondence on expectations, strategic directions and priorities directly from the responsible Minister. In addition, entities may discuss these topics directly, as part of regular meetings between the Chair and responsible Minister.

Please find attached the information in scope of your request in **Appendix A**.

Some information is withheld under section 9(2)(f)(iv) of the Act to maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and officials. The release of this information is likely to prejudice the ability of government to consider advice and the wider public interest of effective government would not be served.

An attachment included in both letters is refused under section 18(d) of the Act on the basis that the information requested will soon be publicly available. This information will be published on 27 August 2024 by the Treasury, on their website: <https://www.treasury.govt.nz/publications/other-official-information/information-releases>.

On 23 April 2024, the Minister of Finance and the Public Service sent an Enduring Letter of Expectations (ELOE) to Crown entity Boards. This letter outlines expectations for all Crown entity Boards, including the Commission and SWRB.

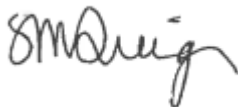
The ELOE may be of interest to you and is available online at the following link: <https://www.publicservice.govt.nz/assets/ELOE24-FINAL-signed-Enduring-Letter-of-Expectation-to-Crown-Entity-Chairs-Apr24-2.pdf>.

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.

Ngā mihi nui

pp. 

Magnus O'Neill
General Manager
Ministerial and Executive Services



19 January 2024

BUDGET SENSITIVE

Dr Claire Achmad
Children & Young People's Commission
Level 8
110 Featherston St
Wellington

Tēnā koe Claire

FISCAL OBJECTIVES ACROSS THE TERM AND BUDGET 2024

Happy New Year Claire. I hope you had a relaxing and enjoyable break.

The previous Government wrote to all statutory Crown entity board chairs in September 2023, seeking support towards the Fiscal Sustainability and Effectiveness Programme. This included demonstrating value-for-money outcomes and additional benefit to New Zealanders.

This letter builds on that expectation and sets out the Government's goals relating to fiscal sustainability. The Crown has been in operating deficit since 2019/20 and the ongoing fiscal environment is challenging. High inflation and interest rates are creating significant cost of living pressures for New Zealanders and putting pressure on Government finances. Our economy relies on a fiscal strategy that sees a steady path to return to surplus, supporting monetary policy to bring inflation down. Strict fiscal management will be necessary to get the government books back in order and ensure limited funds are directed towards the highest value investments. The Government expects all public sector organisations to play their part in this, including statutory Crown entities, Crown entity companies, State Owned Enterprises and Public Finance Act Schedule 4A companies.

As part of the Government's immediate actions, decisions will be taken to reduce public expenditure, including consultant and contractor expenditure. Meeting the Government's fiscal objectives while also delivering better public services requires looking at all public expenditure, not just that of departments. A target level of savings for Budget 2024 has been established for all agencies as part of the Initial Baseline Exercise. The responsible departments are required to quickly identify these savings.

Government agencies and other public organisations should expect enhanced scrutiny of Crown funding. Crown entities are also expected to operate efficiently, effectively and in a financially responsible manner, ensuring that they

act as a successful going concern. Crown entity boards have an important role to play in meeting Government's expectations amidst fiscal constraints and challenges. You should be able to demonstrate that activities funded from Crown revenue are:

- as efficient as possible
- making a difference for New Zealanders.

The Initial Baseline Exercise is a government-wide initiative, with public agencies and Crown entities alike required to absorb cost pressures and find savings. These fiscal objectives add to the previously communicated fiscal sustainability messaging to you. The target level of savings for Vote Social Development has been set at 6.5% of eligible baseline funding.

The Children and Young People's Commission currently has baseline funding of \$3.157 million per financial year from 2024/25 to 2026/27 in Vote Social Development. There is also a tagged contingency in place of \$7.368 million per financial year from 2024/25 to 2026/27, after a reduction of 5% (\$0.388 million per year) through the "Rapid Savings Exercise" in 2023. MSD is working with you on the process to seek agreement to ongoing funding and drawdown of the tagged contingency.

s9(2)(f)(iv)

s9(2)(f)(iv)

understand that Sacha O'Dea has already signalled that a further reduction may be sought when she met with you in December 2023. We have attached the savings template we will need to complete with you by 2 February 2024.

The Minister for Social Development and Employment has asked for each of her Crown entities to provide her with information on total FTEs in June 2017 and June 2023. Please provide this information to Sacha O'Dea by 2 February 2024.

For the duration of this term of government, it is expected that there will be a greater focus on reprioritisation and managing cost drivers, while delivering improved performance. This applies to both departmental and non-departmental appropriations.

I appreciate that an additional reduction of 6.5% in Crown funding will require further changes to the proposed model. The Ministry of Social Development will continue to work through implications of the Initial Baseline Exercise with you and the Children and Young People's Commission.

Sacha will be in touch to organise a meeting with you or your Chief Executive or a delegated representative.

Nāku iti noa, nā

Viv Rickard

Acting Chief Executive, Ministry of Social Development



19 January 2024

BUDGET SENSITIVE

Shannon Pakura
Social Workers Registration Board
110 Featherston St
Wellington

Tēnā koe Shannon

FISCAL OBJECTIVES ACROSS THE TERM AND BUDGET 2024

Happy New Year Shannon. I hope you had a relaxing and enjoyable break.

The previous Government wrote to all statutory Crown entity board chairs in September 2023, seeking support towards the Fiscal Sustainability and Effectiveness Programme. This included demonstrating value-for-money outcomes and additional benefit to New Zealanders.

This letter builds on that expectation and sets out the Government's goals relating to fiscal sustainability. The Crown has been in operating deficit since 2019/20 and the ongoing fiscal environment is challenging. High inflation and interest rates are creating significant cost of living pressures for New Zealanders and putting pressure on Government finances. Our economy relies on a fiscal strategy that sees a steady path to return to surplus, supporting monetary policy to bring inflation down. Strict fiscal management will be necessary to get the government books back in order and ensure limited funds are directed towards the highest value investments. The Government expects all public sector organisations to play their part in this, including statutory Crown entities, Crown entity companies, State Owned Enterprises and Public Finance Act Schedule 4A companies.

As part of the Government's immediate actions, decisions will be taken to reduce public expenditure, including consultant and contractor expenditure. Meeting the Government's fiscal objectives while also delivering better public services requires looking at all public expenditure, not just that of departments. A target level of savings for Budget 2024 has been established for all agencies as part of the Initial Baseline Exercise. The responsible departments are required to quickly identify these savings.

Government agencies and other public organisations should expect enhanced scrutiny of Crown funding. Crown entities are also expected to operate efficiently, effectively and in a financially responsible manner, ensuring that they act as a successful going concern. Crown entity boards have an important role to

play in meeting the government's expectations amidst fiscal constraints and challenges. You should be able to demonstrate that activities funded from Crown revenue are:

- as efficient as possible
- making a difference for New Zealanders.

The Initial Baseline Exercise is a government-wide initiative, with public agencies and Crown entities alike required to absorb cost pressures and find savings. These fiscal objectives add to the previously communicated fiscal sustainability messaging to your Board. The target level of savings for Vote Social Development has been set at 6.5% of eligible baseline funding.

The Social Workers Registration Board receives baseline funding of \$0.113 million through Vote Social Development. As part of the Initial Baseline Exercise, we would like to meet with you to discuss potential savings of 6.5% totalling \$7,345 per financial year from 2024/25 onwards and efficiency improvements for your entity, including trade-offs and impacts on functions of Social Workers Registration Board. We have attached the savings template we will need to complete with you by 2 February 2024.

The Minister has asked for each of her Crown entities to provide her with information on total FTEs in June 2017 and June 2023. Please provide this information to Sacha O'Dea by 2 February 2024.

For the duration of this term, it is expected that there will be a greater focus on reprioritisation and managing cost drivers, while delivering improved performance. This applies to both departmental and non-departmental appropriations.

I acknowledge that Social Workers Registration Board has indicated funding pressures exist. We understand that you are completing a review of Social Workers Registration Board Worker's fee. This may be an opportunity to meet some cost pressures.

I appreciate that an additional reduction of 6.5% in Crown funding may add challenging financial constraints and wish to assure you that Ministry of Social Development will continue to work through implications of the Initial Baseline Exercise with you.

Sacha O'Dea will be in touch to organise a meeting with you or a delegated representative

Nāku iti noa, nā

Viv Rickard

Acting Chief Executive, Ministry of Social Development