

Report



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

Date: 15 December 2023

**Security
Level:**

~~BUDGET SENSITIVE~~

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

Fiscal Sustainability: Tranche Two Information and Policy Choices

REP/23/12/976

Purpose of the report

- 1 To support the preparation of a draft savings plan by February 2024, this report includes information for discussion at this week's MSD Officials meeting (for the week beginning 18 December) on:
 - potential policy choices and operational changes that could generate savings (Appendix 1)
 - the second tranche of information about MSD's funding, which covers:
 - programmes in the Improved Employment and Social Outcomes MCA (Appendix 2)
 - programmes in the Community Support Services MCA (Appendix 3)
 - FTEs, including where this relates to new functions and time-limited FTEs (Appendix 4).

Executive summary

- 2 We understand that letters will go to Ministers early next week that include savings targets and outline the process for confirming savings.
- 3 Based on the assumption that policy and operational changes are within scope of the savings targets, we have identified a range of proposals for you to consider. The information included in Appendix 1 outlines the potential change / set of changes, estimated savings per year, time to implement, and cost of transition.

- 4 Following our discussion, we can provide you with further advice about risks, the impacts of these proposals on clients and refined information about time and cost to transition.
- 5 You will have choices across the Improved Employment and Social Outcomes MCA (Employment MCA) and Community Support Services MCA (Community MCA). We have undertaken an initial assessment of the programmes in these MCAs. For the Community MCA we indicated where retendering is due to occur in the next six months.
- 6 Your direction across the three Appendices will support us to prepare scenarios or packages for a draft savings plan by February 2024.

Recommended actions

It is recommended that you:

- 1 **discuss** the list of policy and operational proposals in Appendix 1 with officials and provide feedback on areas where you would like further advice
- 2 **note** that the housing-related proposals include changes to some settings for which that the Minister of Housing (and Ministry of Housing and Urban Development) are currently responsible
- 3 **discuss** the list of programme-related funding in Appendices 2 and 3 and provide any feedback
- 4 **note** the historical information about FTEs including new functions and time-limited FTEs in Appendix 4.

Sacha O'Dea
Deputy Chief Executive
Strategy and Insights

Date

Hon Louise Upston
Minister for Social Development and
Employment

Date

Background

- 7 At our meeting on 11 December 2023, we discussed taking an approach to develop a draft savings plan by February 2024 [REP/23/12/952 refers] and the first Tranche of information.
- 8 We have not yet received further clarity about savings targets or the approach to cost savings expectations from the Treasury.

Policy choices and operational changes (Appendix 1)

- 9 The choices for savings options through policy and operational changes are broadly related to:

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- changes to obligations and sanctions, including re-applications for assistance

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- 10 We seek your direction about areas of interest or concern across the proposals in Appendix 1. These have been packaged into six areas:

- A. s9(2)(f)(iv)
- B. **reducing emergency housing numbers, with investment in support services in the near-term** – see paragraph 11 for additional context
- C. s9(2)(f)(iv)
- D. s9(2)(f)(iv)
- E. s9(2)(f)(iv)
- F. **your priority initiatives** – we have included government policy priorities in this list where we know they may have downward pressure on expenditure (e.g. Traffic Light System and 26-week reapplications), even though cost saving is not the key objective.

Housing related proposals

- 11 We have grouped changes to housing-related assistance together given that the interactions across the system are complex, and that we have a mix of policy and operational responsibilities. You may want to discuss the approach to cost savings across the housing system with the Minister of Housing.
- 12 For example, you could take a consistent approach to cost savings across emergency housing, transitional housing and social housing where they have

common settings (e.g. aligning the minimum percentage of income that clients must pay as a contribution/rent).

13 We consider that emergency housing is an area where there are policy and operational opportunities to reduce the number of people receiving assistance which would reduce expenditure. This proposal (number 4 in Appendix 1) is different to the others in Appendix 1 as it has two elements:

- additional funding in the shorter-term for FTE that provide people with more intensive support including:
 - Intensive Support Case Managers and Navigator Support Services
 - Housing Brokers to help them look for and obtain housing
 - Ready-to-Rent and Flexible Funding Assistance
- policy changes to more tightly target the eligibility criteria for Emergency Housing Special Needs Grants (EH SNGs) to those most in need, supported by operational and practice changes to enable savings within the forecast period (driven by reduced expenditure in EH SNGs).

We can provide you with further advice on the impacts of proposals and trade-offs

14 Areas where larger savings are possible would include:

- s9(2)(f)(iv) [REDACTED]
- s9(2)(f)(iv) [REDACTED]

15 We can provide you with further advice on the impacts you could see from cost savings measures, including:

- **reduced incentives to work** – changes to some forms of assistance may influence clients' decisions about whether to work or how much to work. s9(2)(f)(iv) [REDACTED]
- **reduction in income adequacy** – s9(2)(f)(iv) [REDACTED] In some cases, this may mean a shift to other forms of assistance (e.g. flow-on pressures to hardship assistance), while other changes may only have a temporary savings effect. The balance between income adequacy and the availability of employment programmes / supports, including training and upskilling, is also important as it may make it more difficult for some people to get sustainable employment, risking people cycling in and out of the benefit system over time.

- **ability to deliver changes on key priorities** – we have outlined indicative cost and time to implement assuming the changes are stand alone. We will need to work through what packages of changes could be delivered alongside your other priorities.
- 16 Some of the options available to you may make certain types of assistance more consistent with the policy settings in the wider system, reducing complexity.
- 17 s9(2)(f)(iv) [REDACTED]

Costing and timing for proposals remain indicative

- 18 The costings and time to implement policy proposals should only be considered as indicative. Costing work was carried out while policy options were still being developed, which means that the costings will most likely change as the policy options are refined. At present the costings include assumptions about implementation dates of 1 April 2024 or 1 July 2024, which does not take into consideration the estimated time to implement.
- 19 The level of savings that can be realised in the short and longer term will be impacted by:
- expected time to implement, which depends on the level of further policy work required and the nature of legislative, operational and IT systems changes
 - whether grandparenting arrangements are established, as this reduces savings in the near term
 - impact on ongoing FTE requirements
 - relationship to time-limited funding, for example where this is required for the delivery of the assistance / service
 - whether expected behaviour changes occur
 - flow-on impacts to other forms of assistance (e.g. Temporary Additional Support and other Hardship Assistance).
- 20 Some of the proposed policy changes may interact with other policy options. The costings do not account for interactions between policies, which means caution should be applied when combining costings for multiple policy options.
- 21 Further work over January 2024 would be required to refine the costings. Over January 2024 we can undertake further work to determine the package of potential options and sequencing so you get a fuller picture of what would be possible along with refined costings.

Tranche two – Information about funding within the Employment and Community MCAs (Appendices 2 and 3)

- 22 Across the Employment MCA and Community Support Services MCA we have outlined an initial assessment of:
- alignment / fit with the Government's direction
 - value for money (including evidence of effectiveness, where available)
 - whether the programme can be stopped, the risks associated with stopping, and any transition costs
 - whether any procurement, including retendering, will occur in the next six months (Community MCA only).
- 23 We have outlined the overall funding amount for regionally managed contracts and can provide further information about this alongside Tranche three.
- 24 We think there are a number of different approaches to reducing expenditure for the MCAs and would like to understand your areas of interest or concern before we begin to describe these scenarios.

Effectiveness of MSD's Employment programmes

- 25 Appendix 2 includes the ratings of the employment programmes from our Employment Effectiveness Catalogue.
- 26 There are six potential ratings. A programme is rated based on its impact on the above outcome domains.
- **Effective** – the programme has a statistically significant positive effect for the majority of primary outcomes – income, employment, justice, education qualification, and independence from welfare.
 - **Promising** – the trend in impacts indicates the programme is expected to have a significant positive overall impact in the medium to long term. Additionally, we rate programmes as promising if we cannot evaluate the programme directly, but where we have a very similar programme rated as effective.
 - **Mixed** – the programme has both positive and negative impacts on primary outcomes. The most common case is where a programme increases employment but has a negative impact on welfare.
 - **No difference** – the programme makes no statistically significant difference for any of the primary outcomes.
 - **Likely negative** – trends indicate the programme will have a negative impact on one or more primary outcomes and there is no evidence of a positive impact on any other primary outcome.

- **Negative** – the programme has a statistically significant negative effect on the majority of primary outcomes and/or no evidence of a positive impact on any primary outcome.

Effectiveness of Community programmes

27 Appendix 3 references effectiveness. As described in the briefing on MSD's Communities and Partnerships work [REP/23/12/943 refers]:

- the depth of information available to MSD on the effectiveness of its community investment varies between programmes
- there is no standard approach to assessing the effectiveness of MSD's community investment programmes, like there is for employment effectiveness which uses client level data
- there has been limited evaluation undertaken to assess the performance programmes against a counterfactual – such an approach may also not be suited to programmes that seek to improve community-wide, intergenerational outcomes
- other ways to assess the effectiveness or performance of a programme are to consider programmes in relation to the relevant literature.

Next steps

28 We seek your direction on the material attached and will use this to inform further information and advice on fiscal sustainability.

29 By 15 January 2024, we will provide a third Tranche of information including:

- programme expenditure relating to Research and Evaluation costs and corporate costs (not covering time-limited funding)
- opportunities within capital programmes (e.g. Data warehouse - Te Haoroa).

Appendix

30 Appendix 1: Potential policy choices and operational changes to achieve savings.

31 Appendix 2: Initial assessment of programmes in Employment MCA.

32 Appendix 3: Initial assessment of programmes in Community MCA.

33 Appendix 4: Historical information about MSD FTEs.

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Appendix 1: Potential policy choices and operational changes to achieve savings

The below table includes a range of proposals that could generate cost savings:

- all numbers remain estimates, with costings requiring further refinement
- time to implement are from policy decisions are made
- all savings are to BoRE unless expressly stated, and are net impact.

Proposal	Savings per year (average)	Savings over forecast period (5 years)	Estimated time to implement	Cost of transition (IT systems)	MSD Comment	Minister comment
A. Consistency across eligibility and income-related settings for Housing Assistance						
<p>1 Accommodation Supplement – alignment with other income supports.</p> <p>a) Changes to how we treat income from boarders in the assessment of AS, so that people with boarders not advantaged by receiving double payment for housing costs (i.e. from Government and boarders). We have modelled a number of options to consider, but further policy work would be required.</p> <p>s9(2)(f)(iv)</p>	<p>\$4 to \$114 million</p> <p>s9(2)(f)(iv)</p>	<p>\$16 to \$480 million</p> <p>s9(2)(f)(iv)</p>	<p>18 months +</p> <p>s9(2)(f)(iv)</p>	<p>\$3 million +</p> <p>s9(2)(f)(iv)</p>	<p>Minister of Housing responsible.</p> <p>s9(2)(f)(iv) would provide greater consistency with income support system settings. s9(2)(f)(i) would require changes to Regulations.</p> <p>We currently only include income from boarders 3 and 4. Including income from boarders 1 and 2 would support greater consistency / equity. Changing how we treat boarder income for the AS overall results in the upper range of savings. For the costing of a), we:</p> <ul style="list-style-type: none"> • have assumed April 2024 implementation • do not have any data to be able to identify boarders for AS clients • have estimated costs by comparing AS clients at the same address which may overestimate the savings. There may also be instances where people have boarders that are not receiving AS. • have sought to exclude motels, rest homes etc. • are unable to distinguish between instances of shared housing where a housing costs are split, and where there are genuine instances of boarding <p>s9(2)(f)(iv)</p>	
<p>2</p> <p>s9(2)(f)(iv)</p>	<p>s9(2)(f)(iv)</p>	<p>s9(2)(f)(iv)</p>	<p>s9(2)(f)(iv)</p>	<p>s9(2)(f)(iv)</p>	<p>s9(2)(f)(iv)</p>	

Proposal	Savings per year (average)	Savings over forecast period (5 years)	Estimated time to implement	Cost of transition (IT systems)	MSD Comment	Minister comment
3 s9(2)(f)(iv) [Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
B. Reducing Emergency Housing numbers - with investment in support services in the near-term						
4 Changes to Emergency Housing Special Needs Grants (EH SNGs) supports, eligibility and gateway – Targeting a reduction in EH SNG numbers via: <ul style="list-style-type: none"> a) ongoing FTE support (including Housing Brokers, Intensive Service Case Managers and Navigator Support Services), Ready to Rent Programme, and Flexible Funding Assistance to get people into private rentals b) changes to guidance / practice about when to make EH SNGs recoverable when clients have not made reasonable steps, have contributed to their need for emergency housing or not paid contribution c) targeting eligibility by adding a cap on total number of EH SNGs that can be paid / time receiving an EH SNG, or other changes to incentivise moving into private rentals (e.g. additional increases to EH contribution) d) remove discretion to pay over the income and cash asset limits. 	Reduction of EH SNG numbers of 5–10 percent would be: <ul style="list-style-type: none"> • \$15.8 to \$31.5 million per year • \$78.8 to \$157.6 million over the forecast period. 	9 to 12 months	Up to \$2 million for system changes, depending on change and phasing. \$46.2 million over 2 years to retain a reducing number of FTE and support services (\$27.7 million in 2024/25, and \$18.6 million in 2025/26.	Minister of Housing responsible. If you want to reduce the number of EH SNGs by 5–10 percent per year, we consider that a strategy with a range of changes will be required. For example, we would like to discuss with you how investing \$46.2 million over 2 years would help to ensure we have the support to get people into private rentals. This would be supported by policy and operational changes to ensure that the EH SNG gateway remains tightly targeted. Requires changes to Flexible Funding Programme to retain Flexible Funding Assistance past 30 June 2024. Requires changes to Special Needs Grants Programme for eligibility changes, and discretion. Costings assume reduction to EH SNG grants with no change to duration of EH grants or the weekly cost. Assumed reduction from 1 July 2024.	[Redacted]	[Redacted]

Proposal	Savings per year (average)	Savings over forecast period (5 years)	Estimated time to implement	Cost of transition (IT systems)	MSD Comment	Minister comment
5 s9(2)(f)(iv) [Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
C. s9(2)(f)(iv)						
6 s9(2)(f)(iv) [Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]

Proposal	Savings per year (average)	Savings over forecast period (5 years)	Estimated time to implement	Cost of transition (IT systems)	MSD Comment	Minister comment
s9(2)(f)(iv)					s9(2)(f)(iv)	
7 s9(2)(f)(iv)						
D.						
8 s9(2)(f)(iv)						
9 s9(2)(f)(iv)						

	Proposal	Savings per year (average)	Savings over forecast period (5 years)	Estimated time to implement	Cost of transition (IT systems)	MSD Comment	Minister comment
10	<p>s9(2)(f)(iv)</p> <p>[Redacted]</p>	[Redacted]	[Redacted]	[Redacted]	[Redacted]	<p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p>	
11	<p>s9(2)(f)(iv)</p> <p>[Redacted]</p>	[Redacted]	[Redacted]	[Redacted]	[Redacted]	<p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p>	

	Proposal	Savings per year (average)	Savings over forecast period (5 years)	Estimated time to implement	Cost of transition (IT systems)	MSD Comment	Minister comment
12	s9(2)(f)(iv) [Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	
E. s9(2)(f)(iv) [Redacted]							
13	s9(2)(f)(iv) [Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	
14	s9(2)(f)(iv) [Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	

Proposal	Savings per year (average)	Savings over forecast period (5 years)	Estimated time to implement	Cost of transition (IT systems)	MSD Comment	Minister comment
F. s9(2)(f)(iv)						
15 Traffic Light System (building on Welfare that Works).	May not be possible to count savings from 2024/25		Over 18 months but could implement in phases starting with 'quick wins'	Over \$3 million	Further advice on this due early 2024. Would require changes to Primary and Secondary Legislation (this impacts timing). May not generate savings in 2024/25. Savings may be impacted by choices about incentive payments for young jobseekers and bonus payments for community providers.	
16 26-week reapplications for Job Seeker	\$4.0 million	\$19.9 million	Depends on scope Lift and shift = up to 18 months More extensive = 18 months +	Depends on scope Lift and shift = \$1.5 to \$3 million More extensive = \$3 million +	Further advice on this due early 2024. Would require changes to Secondary Legislation for existing expiry dates and requirements for regrant. May not generate savings in 2024/25. Does not account for operational costs required. s9(2)(g)(i)	
17 s9(2)(f)(iv)					[Redacted MSD Comment]	
18 s9(2)(f)(iv)					[Redacted MSD Comment]	

Appendix 2 – Initial assessment of programmes in Employment MCA

The below table sets out Programme funding. Note:

- No FTE has been included.
- Initiatives in purple font are non-MCA.

High level description	Service	Budget (\$m)									
		2024/25		s9(2)(g)(i)	2025/26	2026/27	2027/28				
MCA Departmental funds											
Flexi-Wage - this is made up of: - Flexi-Wage Subsidies - Flexi-Wage Self Employment - Flexi-Wage Project in the Community - Flexi-Wage Disaster Relief (ETFG) 500,000.00	Flexi-Wage	51.476		s9(2)(g)(i)	23.476	23.476	23.476	s9(2)(g)(i)			
Youth Programmes	He Poutama Taitamariki	0.080		s9(2)(g)(i) () (i)	0.080	0.080	0.080	s9(2)(g)(i)			
	Youth Services - NEET	15.754	s9(2)(g)(i)		10.154	10.154	10.154	s9(2)(g)(i)			
	SFI - Local Government Mayoral Task Force	14.000		s9(2)(g)(i)				s9(2)(g)(i)			
	Youth Services YP & YPP	20.141		s9(2)(g)(i)	20.141	20.141	20.141	s9(2)(g)(i)			
Employment and Training Programmes - to help people get ready for work and an chelp with training and getting experience	Confidence & Motivation (regional contracts)	1.749	s9(2)(g)(i)		1.749	1.749	1.749	s9(2)(g)(i)			

High level description	Service	Budget (\$m)						[Redacted]	[Redacted]	[Redacted]	[Redacted]
		2024/25	[Redacted]	[Redacted]	2025/26	2026/27	2027/28				
	Work Confidence - LSV	9.357	[Redacted]	[Redacted]	9.357	9.357	9.357	[Redacted]	[Redacted]	[Redacted]	[Redacted]
	In Work Support Payments	3.021	[Redacted]	[Redacted]	3.021	3.021	3.021	[Redacted]	[Redacted]	[Redacted]	[Redacted]
	CPA Education and Employment Related Training	1.814	[Redacted]	[Redacted]	1.814	1.814	1.814	[Redacted]	[Redacted]	[Redacted]	[Redacted]
	Training for Work - Regional contracts	0.208	[Redacted]	[Redacted]	0.208	0.208	0.208	[Redacted]	[Redacted]	[Redacted]	[Redacted]
	Jobs and Skills Hubs	0.070	[Redacted]	[Redacted]	0.070	0.070	0.070	[Redacted]	[Redacted]	[Redacted]	[Redacted]
	Mana in Mahi	14.558	[Redacted]	[Redacted]	14.558	14.558	14.558	[Redacted]	[Redacted]	[Redacted]	[Redacted]
	Skills for Industry (Industry Partnerships and regional contracts)	18.034	[Redacted]	[Redacted]	18.034	18.034	18.034	[Redacted]	[Redacted]	[Redacted]	[Redacted]

High level description	Service	Budget (\$m)						[Redacted]	s9(2)(g)(i) [Redacted]	[Redacted]	[Redacted]
		2024/25	[Redacted]	s9(2)(g)(i) [Redacted]	2025/26	2026/27	2027/28				
	Employment Services Response (NIWE funding for impacted regions)	8.175	[Redacted]	s9(2)(g)(i) [Redacted]	0.000	0.000	0.000	s9(2)(g)(i) [Redacted]	[Redacted]	[Redacted]	
	Employment Placement (regional contracts)	34.667	s9(2)(g)(i) [Redacted]	[Redacted]	34.667	34.667	34.667	s9(2)(g)(i) [Redacted]	[Redacted]	[Redacted]	
Self-employment	Business Training and Advice	0.168	[Redacted]	s9(2)(g)(i) [Redacted]	0.168	0.168	0.168	s9(2)(g)(i) [Redacted]	[Redacted]	[Redacted]	
	Self-Employment	0.060	[Redacted]	s9(2)(g)(i) [Redacted]	0.060	0.060	0.060	s9(2)(g)(i) [Redacted]	[Redacted]	[Redacted]	
Job Search Initiatives	Job Search Initiatives (regional contracts)	6.340	[Redacted]	s9(2)(g)(i) [Redacted]	5.340	5.340	5.340	s9(2)(g)(i) [Redacted]	[Redacted]	[Redacted]	
	Workability assessment (Regional contracts)	0.149	[Redacted]	s9(2)(g)(i) [Redacted]	0.149	0.149	0.149	s9(2)(g)(i) [Redacted]	[Redacted]	[Redacted]	
	Direct Career Services	3.250	s9(2)(g)(i) [Redacted]	[Redacted]	2.500	2.500	2.500	s9(2)(g)(i) [Redacted]	[Redacted]	[Redacted]	

High level description	Service	Budget (\$m)						[Redacted]	s9(2)(g)(i) [Redacted]	[Redacted]	[Redacted]
		2024/25	[Redacted]	s9(2)(g)(i) [Redacted]	2025/26	2026/27	2027/28				
	Employment Brokerage (Education to Employment)	3.879	[Redacted]	s9(2)(g)(i) [Redacted]	0.000	0.000	0.000	s9(2)(g)(i) [Redacted]	[Redacted]	[Redacted]	[Redacted]
Transition into work programmes	Transition to Work	19.797	[Redacted]	s9(2)(g)(i) [Redacted]	10.742	10.742	10.742	s9(2)(g)(i) [Redacted]	[Redacted]	[Redacted]	[Redacted]
	\$5K to work	10.463	[Redacted]	s9(2)(g)(i) [Redacted]	1.263	1.263	1.263	s9(2)(g)(i) [Redacted]	[Redacted]	[Redacted]	[Redacted]
	NZ Seasonal Work Scheme	0.233	s9(2)(g)(i) [Redacted]	[Redacted]	0.233	0.233	0.233	s9(2)(g)(i) [Redacted]	[Redacted]	[Redacted]	[Redacted]
Other	Individual Placement and Support (Oranga Mahi)	8.048	[Redacted]	s9(2)(g)(i) [Redacted]				s9(2)(g)(i) [Redacted]	[Redacted]	[Redacted]	[Redacted]
	Flexible Childcare	0.284	s9(2)(g)(i) [Redacted]	[Redacted]	0.284	0.284	0.284	s9(2)(g)(i) [Redacted]	[Redacted]	[Redacted]	[Redacted]

High level description	Service	Budget (\$m)						[Redacted]	s9(2)(g)(i) [Redacted]	[Redacted]	[Redacted]
		2024/25	[Redacted]	s9(2)(g)(i) [Redacted]	2025/26	2026/27	2027/28				
	New Initiative (22059) - regional contracts	0.709	s9(2)(g)(i) [Redacted]	[Redacted]	0.709	0.709	0.709	s9(2)(g)(i) [Redacted]	[Redacted]	[Redacted]	[Redacted]
	IA Trials DHBs (Oranga Mahi)	6.521	s9(2)(g)(i) [Redacted]	[Redacted]				s9(2)(g)(i) [Redacted]	[Redacted]	[Redacted]	[Redacted]
Total MCA Departmental Funds		253.005	s9(2)(g)(i) [Redacted]	[Redacted]	158.777	158.777	158.777				
Non-departmental Funds for programmes in MCA											
	He Poutama Rangatahi	39.113	[Redacted]	s9(2)(g)(i) [Redacted]	33.289	33.320	33.320	s9(2)(g)(i) [Redacted]	[Redacted]	[Redacted]	[Redacted]
	Maori Trades and Training programmes	20.911	s9(2)(g)(i) [Redacted]	[Redacted]				s9(2)(g)(i) [Redacted]	[Redacted]	[Redacted]	[Redacted]
	Pacific Employment and Training programmes	2.396	[Redacted]	s9(2)(g)(i) [Redacted]	2.396			s9(2)(g)(i) [Redacted]	[Redacted]	[Redacted]	[Redacted]
Total MCA Non-Departmental Funds		62.420	s9(2)(g)(i) [Redacted]	[Redacted]	35.685	33.320	33.320				
Housing programmes not in MCA and Departmental Funds											
	Homelessness Navigators	11.891	s9(2)(g)(i) [Redacted]	[Redacted]	11.891	11.891	11.891				
	Homelessness Support Services	3.349	s9(2)(g)(i) [Redacted]	[Redacted]	3.349	3.349	3.349				
	Onsite Motel Management	3.000	s9(2)(g)(i) [Redacted]	[Redacted]	3.000	3.000	3.000				
Total MCA Non-Departmental Funds		62.420	s9(2)(g)(i) [Redacted]	[Redacted]	35.685	33.320	33.320				

High level description	Service	Budget (\$m)					2024/25	[Redacted]	s9(2)(g)(i)	2025/26	2026/27	2027/28	[Redacted]	s9(2)(g)(i)	[Redacted]	[Redacted]
		2024/25	[Redacted]	s9(2)(g)(i)	2025/26	2026/27										
Other Programmes not in MCA and Non Departmental funds																
Apprenticeship Support (ABI)		54.718	[Redacted]	s9(2)(g)(i)				s9(2)(g)(i)				s9(2)(g)(i)	[Redacted]	[Redacted]		
Driver's License Support Employment Assistance		19.000	s9(2)(g)(i)	[Redacted]	20.000	20.000	20.000	s9(2)(g)(i)	[Redacted]	[Redacted]		[Redacted]	[Redacted]	[Redacted]		
Total Other Non-Departmental Funds		73.718	s9(2)(g)(i)	[Redacted]	20.000	20.000	20.000									
Total		407.383	s9(2)(g)(i)	[Redacted]	232.702	230.337	230.337									
Additional P&A savings (Vocational Rehab and Jobs & Skills Hub Rotorua)			s9(2)(g)(i)													
s9(2)(g)(i)			s9(2)(g)(i)													

Appendix 3 – Initial assessment of programmes in Community MCA

The below table sets out Programme funding. No FTE has been included.

Service and description	Funding \$m NDOE only				Number of providers	Contract end date	Intention following contract end if known	Upcoming procurement if known	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
	2024/25	2025/26	2026/27	2027/28										
s9(2)(g)(i)														
Crisis - Elder Abuse services Funds the delivery of Elder Abuse and Response Services (EARS) that address the immediate needs of older people experiencing or at risk of experiencing abuse and neglect.	12.244	12.244	12.244	12.244	26	30/06/2026	Reprocurement		[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
Crisis - Elder Abuse helpline Funds a 24/7 helpline that connects people with registered nurses who can advise with information and support about elder abuse.	0.151	0.151	0.151	0.151	2	30/06/2024	Helplines services are being prepared for procurement.	Currently in pre-procurement stage.	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
Crisis - Integrated Community Responses SAM table participation Funds family violence non-government organisations (NGOs) to participate in Safety Assessment Meeting (SAM) tables.	4.600	4.600	4.600	4.600	41	30/06/2025	Reprocurement		[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
Crisis - Refuge family violence support service Funds Women's Refuges to deliver specialist services to support victims/survivors of family violence (predominantly women and children).	36.447	36.447	36.447	36.447	20	30/06/2026 30/06/2031	Reprocurement		[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]

Service and description	Funding \$m NDOE only				Number of providers	Contract end date	Intention following contract end if known	Upcoming procurement if known	[REDACTED]	[REDACTED]	s9(2)(g)(i) [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	2024/25	2025/26	2026/27	2027/28										
Crisis - Family violence support service helplines and Help Portal Funds a range of 24/7 support for people experiencing family violence including websites, helplines, webchat, SMS text and email support.	3.437	3.437	3.437	3.437	8	30/06/2024	Helplines services are being prepared for procurement.	Currently in pre-procurement stage.	[REDACTED]	s9(2)(g)(i) [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Crisis - Sexual violence crisis support Funds the delivery of specialist sexual violence services to better support victims/survivors and prevent sexual violence.	27.163	27.163	27.163	27.163	38	30/06/2025	Reprocurement	You intend to	[REDACTED]	s9(2)(g)(i) [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Crisis - Services for male survivors of sexual violence Funds the delivery of specialist sexual violence services for male survivors of sexual abuse aimed at enabling their long-term recovery and wellbeing.	3.577	3.577	3.577	3.577	13	30/06/2025	Reprocurement		[REDACTED]	s9(2)(g)(i) [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Crisis - Child Advocates Funds the Child Advocates programme, which supports children in eight Women's Refuge sites across Aotearoa New Zealand.	1.240	1.240	1.240	1.240	3	30/06/2026	Reprocurement		[REDACTED]	s9(2)(g)(i) [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Service and description	Funding \$m NDOE only				Number of providers	Contract end date	Intention following contract end if known	Upcoming procurement if known	[Redacted]	[Redacted]	s9(2)(g)(i)	[Redacted]	[Redacted]	[Redacted]
	2024/25	2025/26	2026/27	2027/28										
Crisis - Sexual Violence helpline Funds the Safe to Talk helpline which provides 24/7 access to free and confidential information and support to people affected by sexual harm.	2.037	2.037	2.037	2.037	1	30/06/2024	Helplines services are being prepared for procurement.	Currently in pre-procurement stage.	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
s9(2)(g)(i)														
Iwi Partnerships - Te Hiku Invest in capability to enable Te Hiku to partner in the design and delivery of services to Te Hiku whānau, including testing new ideas for employment and wellbeing, and an improved evidence base. ("backbone support costs")	1.500	1.500	1.500	1.500	1	30/06/2024	Yearly agreement		[Redacted]		[Redacted]	[Redacted]	[Redacted]	s9(2)(g)(i)
Iwi Partnerships - Tuhoe Develop, implement, expand and renew from time to time a plan for the transformation of the social circumstances of the people of Tuhoe. Note the Crown commitment to strengthen Tuhoe maximum autonomy to end social service dependency	1.000				1	30/06/2024	Currently no on-going funding for this agreement.		[Redacted]		[Redacted]	[Redacted]	[Redacted]	s9(2)(g)(i)
s9(2)(g)(i)														
Budgeting - Building Financial Capability Core Funds the delivery of Financial Mentoring and MoneyMates services.	19.584	19.584	19.584	19.584	126	30/06/2024	Reprocurement	Yes, open tender in progress. Panel presentations underway.	Unclear - however these services reduce demand and pressure on the benefit system.	Provider reporting data from FinCap's Client Voices system shows in 2021/22, on average, clients reported that the BFC support they received helped them to stabilise their budget within their available finances, allowed them to implement strategies to decrease spending, or start savings plans.	N	Removing BFC Core will mean that people will not receive the help they need and put unnecessary pressure on other parts of the system, such as Work and Income, to seek the support they need. CCCFA implications would have to be managed by Government if this service were to stop and it would also withdraw a lever for requiring budgeting services in future policy decisions.	Medium	Funding reduces from F24 which will reduce availability of this service. Stopping funding in procurement would cause withdrawal of services from communities without the anticipated contractual notice.

Service and description	Funding \$m NDOE only				Number of providers	Contract end date	Intention following contract end if known	Upcoming procurement if known	[Redacted]	[Redacted]	s9(2)(g)(i) [Redacted]	[Redacted]	[Redacted]	[Redacted]
	2024/25	2025/26	2026/27	2027/28										
Budgeting - Building Financial Capability Plus Funds the delivery of an intensive service aimed at helping people with multiple and complex needs (delivered by Kahukura).	2.200	1.600	1.600	1.600	17	31/12/2024	Reprocurement		[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
Budgeting - Building Financial Capability Community Finance Funds the provision of financial education, alongside no and low interest loans.	1.442	1.442	1.442	1.442	3	30/06/2024	Reprocurement		[Redacted]	s9(2)(g)(i) [Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
Budgeting - Building Financial Capability fund Funds the ongoing development of Client Voices, a client management tool for financial mentors.	0.376	0.376	0.376	0.376	1	30/06/2024			[Redacted]	[Redacted]	s9(2)(g)(i) [Redacted]	[Redacted]	[Redacted]	[Redacted]
Budgeting - MoneyTalks Helpline and The Generator Funds the provision of national helpline support (MoneyTalks), and provides seed funding and mentorship to help people on low incomes start business ventures to improve their financial situations (the Generator).	3.188	3.188	3.188	3.188	2	30/06/2027			[Redacted]	s9(2)(g)(i) [Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]

Service and description	Funding \$m NDOE only				Number of providers	Contract end date	Intention following contract end if known	Upcoming procurement if known	E	E	s9(2)(g)(i)	E	E	E	E
	2024/25	2025/26	2026/27	2027/28											
s9(2)(g)(i)															
FVSV services - Family Violence Victim support services Funds providers to deliver generalist responses to people experiencing family violence.	28.578	28.578	28.578	28.578	185	30/06/2026			E	E	'	s9(2)(g)(i)	E	E	E
FVSV services - Family Violence Perpetrator Support Services Funds the delivery of family violence services for people using violence.	17.020	17.020	17.020	17.020	36	30/06/2025		Yes, open tender underway - procurement is only for 2 years.	E	s9(2)(g)(i)	'		E	E	E
FVSV services - Family Violence Perpetrator Support Services Housing Funds 24/7 accommodation and wraparound support services for people using violence in two sites in areas where the numbers of PSOs issued are high and there is no existing services. Currently funds five houses across New Zealand and procurement aims to establish two new sites in the Porirua/Hutt Valley and Tauranga areas.	4.896	4.896	4.896	4.896	3	30/06/2026		Yes, closed tender underway.	E	s9(2)(g)(i)	'		E	E	E
FVSV services - Family Violence Whānau Support services For the delivery of long-term healing and recovery for whānau affected by violence to create strong, resilient communities where whānau are supported to live violence free and to eliminate violence for the next generation.	15.379	15.379	15.379	15.379	98	30/06/2025	Plan to extend these contracts.		E	s9(2)(g)(i)	'		E	E	E

Service and description	Funding \$m NDOE only				Number of providers	Contract end date	Intention following contract end if known	Upcoming procurement if known	[REDACTED]	[REDACTED]	s9(2)(g)(i) [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	2024/25	2025/26	2026/27	2027/28										
FVSV services - Sexual Violence Perpetrator support services Harmful Sexual Behaviour Funds the delivery of specialist behaviour change interventions for adults with harmful sexual behaviours who are not engaged in the justice system (non-mandated adults).	3.033	3.033	3.033	3.033		30/06/2025	Reprocurement		[REDACTED]	[REDACTED]	s9(2)(g)(i) [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
FVSV services - Sexual Violence Perpetrator support services Concerning Sexual ideation Funds the delivery of an early intervention service that provides support for potential perpetrators of sexual violence who exhibit concerning sexual ideation before they might harm others.	0.741	0.741	0.741	0.741	3	30/06/2025	Reprocurement		s9(2)(g)(i) [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
FVSV services - Sexual Violence victim support Kaupapa Māori Service Funds the delivery of Kaupapa Māori specialist sexual violence services for Māori victims/survivors, perpetrators and their whānau to ensure more Māori affected by sexual violence can access the support they need.	3.582	3.582	1.532	1.532	8	30/06/2025	Yes, closed tender underway (\$1.5m).		[REDACTED]	s9(2)(g)(i) [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
FVSV services - Sexual Violence victim support Court Support Service Funds the delivery of a service that focuses on victim's/survivor's mental, spiritual and physical support needs while they are going through the criminal justice process, to reduce the severity and longevity of trauma.	2.941	2.941	2.941	2.941	16	30/06/2025	Reprocurement		[REDACTED]	[REDACTED]	s9(2)(g)(i) [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Service and description	Funding \$m NDOE only				Number of providers	Contract end date	Intention following contract end if known	Upcoming procurement if known	[REDACTED]	[REDACTED]	s9(2)(g)(i) [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	
	2024/25	2025/26	2026/27	2027/28											
Family and Sexual Violence service accessibility for disabled people Funds mainstream family and sexual violence providers to improve their accessibility to disabled people.	1.270				0			Planned procurement upcoming.	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
FVSV services - Sexual Violence victim support Long Term recovery Funds a range of long-term recovery services for victims of sexual abuse and their families.	1.659	1.659	1.659	1.659	18	30/06/2025	Reprocurement		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
FVSV services - E Tū Whānau Refugee and Migrant Support for refugee and migrant communities to settle into New Zealand, as part of broader prevention approach (post initial INZ/Red Cross supported settlement period).	0.900	0.900	0.900	0.900	15	30/06/2024 - 30/06/2026			[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
FVSV services - E Tū Whānau ECVP Funding for partners to continue to participate in the South Asian family and sexual violence prevention project in Auckland.	1.000				N/A	30/06/2025	Reprocurement	Nov-Feb closed competitive procurement of partners to engage in South Asian prevention project in Auckland.	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Service and description	Funding \$m NDOE only				Number of providers	Contract end date	Intention following contract end if known	Upcoming procurement if known	[REDACTED]	[REDACTED]	s9(2)(g)(i)	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	
	2024/25	2025/26	2026/27	2027/28												
FVSV services - E Tū Whānau Support for families and individuals Provision of a social worker / community support worker to provide family support to migrant families who are assessed as being in need, and to provide family and crisis counselling services.	0.312	0.312	0.312	0.312	2	30/06/2025			[REDACTED]	s9(2)(g)(i)	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
s9(2)(g)(i)																
Sector Capability and Support - Community Sector Support Funds providers to support the community and social sector.	2.777	2.777	2.777	2.777	5	30/06/2026			[REDACTED]		[REDACTED]	s9(2)(g)(i)	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Sector Capability and Support - Family Violence Sector Support Funds sector and national office support to family violence provider networks.	1.615	1.615	1.615	1.615	3	30/06/2026 30/06/2031			s9(2)(g)(i)	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Sector Capability and Support - Family Violence practice leads Funds Regional Practice Leads to support National System Practice Leaders as part of the Integrated Community-led Response approach.	3.066	3.066	3.066	3.066			Not procured, on hold.		[REDACTED]		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	s9(2)(g)(i)	[REDACTED]
Sector Capability and Support - Family Violence Integrated Community response governance participation Funds NGO and Iwi representation at Regional Governance Boards to support Safety Assessment Meeting (SAM) Tables throughout New Zealand.	0.400	0.400	0.400	0.400	57	30/06/2025			[REDACTED]		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	s9(2)(g)(i)	[REDACTED]

Service and description	Funding \$m NDOE only				Number of providers	Contract end date	Intention following contract end if known	Upcoming procurement if known	[Redacted]	[Redacted]	s9(2)(g)(i) [Redacted]	[Redacted]	[Redacted]	[Redacted]
	2024/25	2025/26	2026/27	2027/28										
Sector Capability and Support - Heartlands Information, Advice and Advocacy Services Funds the delivery of the Heartlands Service to whānau residing in rural and isolated communities across Aotearoa New Zealand.	7.572	7.572	7.572	7.572	31	30/06/2024 30/06/2028			[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
Sector Capability and Support - Food Secure Communities Food infrastructure, support and community initiatives.	11.000				227	30/06/2024	Intend to gauge Government interest.		[Redacted]	s9(2)(g)(i) [Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
Sector Capability and Support - Community Innovation Fund Funds innovative programmes and services that aim to achieve increased financial capability, inclusion, and improved wellbeing of vulnerable individuals and families.	0.683	0.683	0.683	0.683	2	30/06/2024			s9(2)(g)(i) [Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
Sector Capability and Support - Community Connection Service The Community Connection service ensures people needing help can access information, support and services across multiple government agencies and service providers but navigating and connecting individuals and whānau to various services available.	15.901				41	30/06/2025			[Redacted]	s9(2)(g)(i) [Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]

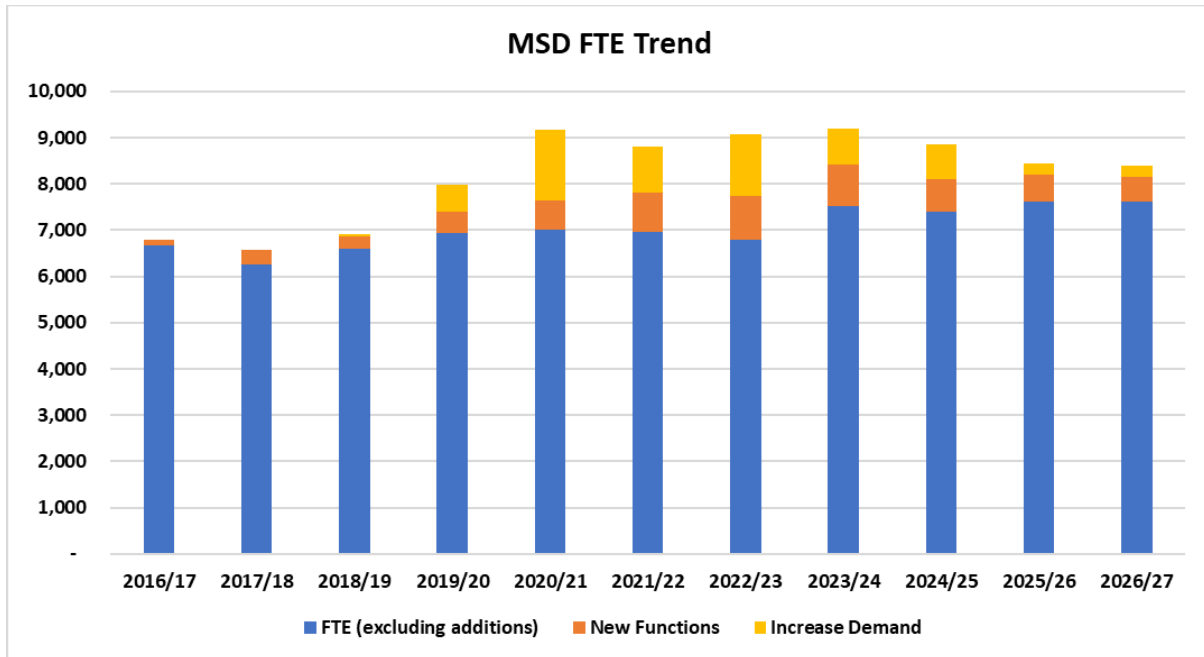
Service and description	Funding \$m NDOE only				Number of providers	Contract end date	Intention following contract end if known	Upcoming procurement if known	E	E	s9(2)(g)(i)	E	E	E	E
	2024/25	2025/26	2026/27	2027/28											
s9(2)(g)(i)															
Prevention, Education and Engagement - Pacifica Proud Family Violence Prevention and Education Services	3.105	3.105	3.105	3.105					E	s9(2)(g)(i)	.	E	E	E	E
Prevention, Education and Engagement - Its Not Okay and Campaign for Social Action Family Violence Prevention and Education Services Funds the Campaign for Action on Family Violence (including the Its Not Okay Campaign), the Love Better youth campaign, and the Prevention of Abuse of Older People initiative.	4.998	2.060	2.060	2.060		30/06/2025	Planned procurement of services.		E	s9(2)(g)(i)	.	E	E	E	E timeframes.

Service and description	Funding \$m NDOE only				Number of providers	Contract end date	Intention following contract end if known	Upcoming procurement if known	E	E	s9(2)(g)(i)	E	E	E
	2024/25	2025/26	2026/27	2027/28										
Prevention, Education and Engagement - Sexual Violence Prevention support Funds prevention programmes that reduce the risk of sexual violation.	0.057	0.057	0.057	0.057	2	30/06/2025			E		s9(2)(g)(i)	E		
Prevention, Education and Engagement - E Tū Whānau Family Violence Prevention and Education Services To support local engagement, action and behaviour change, in order to develop safer and stronger whānau and communities, and build the protective factors that prevent family violence.	5.605	5.105	5.105	5.105	51	30/06/2024 - 30/06/2026			E	s9(2)(g)(i)		E		
Resilience to Organised Crime in Communities (ROCC) work programme ROCC, led by Police, combines enforcement action with tailored social intervention to address the harms and drivers of organised crime. MSD administers the ROCC Community Resilience and Whānau Support Fund to support the development and implementation of community- led responses to the harms and drivers of organised crime.	16.000					30/06/2025			E			E	s9(2)(g)(i)	

Notes and Caveats

- In addition to the above there is time limited funding coming to an end in F24 - Employment in Schools, Youth Crime Prevention, Iwi Partnerships, Family Violence Response Coordinators, Budgeting - Debt Solutions.
- The NZGP standard is three months' notice, however there are some contracts above which require six months' notice.

Appendix 4: Historical information about MSD FTEs



Between 2016/17 and 2022/23 there has been a net increase of approximately 2,300 FTEs across the Ministry (please note that the 2016/17 and 2017/18 years do not include the Child, Youth and Family staff that transferred from the Ministry to Oranga Tamariki in November 2017).

The main factors that have led to a temporary increase (time limited funding) in FTEs over this period are:

- Temporary staffing increases of around 1,700 FTE through successive COVID-19 Response and Recovery Fund packages. Given the time limited nature of COVID-19 funding FTEs will decrease by 2025.
- Approximately 80 staff from 2019/20 to focus on resolving claims of historic abuse
- Approximately 150 housing staff to meet emergency housing demand, social investment and purchasing model for social housing, homelessness and the public housing register

The main factors that have led to a permanent increase in FTEs over this period are:

- Treasury's baseline review from 2019/20 resulted in an additional 237 roles
- Around 60 staff to support the extension of the youth service to 18- and 19-year-olds
- Around 60 staff the transfer of He Poutama Rangatahi, the Māori Trades and Training Fund, and the three Auckland-based Jobs and Skills Hubs from the Ministry of Business, Innovation and Employment from the 2021/22 year
- other smaller initiatives including family violence support, transfer of the contract and relationship management from Oranga Tamariki, social service accreditation work, Dental treatment, flexi wage expansion and training support.