

Supporting people back to work

We are supporting more people to get back to work, keep their jobs and assist New Zealand’s economic recovery.

Wellbeing Budget 2021

Government is investing \$99.548 million over two years to meet additional demand for MSD’s employment services and products in response to the impacts of COVID-19.

MSD has a critical role in supporting people to obtain and sustain employment and is increasingly responding early – before people enter the welfare system.

- Demand for Ministry of Social Development employment services and products has increased because of COVID-19.
- The funding reflects current and anticipated demand as forecast in Treasury’s Half Year Economic and Fiscal Update. In 2018/19, for example, there were 131,200 people on Jobseeker – Work Ready and Sole Parent Support. This is forecast to rise to approximately 230,400 in the 2021/22 financial year.
- MSD employment assistance was only partially funded for the 2021/22 financial year in earlier COVID-19-related initiatives. At the time it was not possible to anticipate how long the pandemic would continue, and its longer-term effect on employment.
- MSD employment services and products include:
 - light-touch services for people new to or not yet on benefit
 - higher intensity services for people who need extra support to find or sustain work such as Here Toitū and Youth Service
 - products to help people on benefit find and sustain work, such as \$5K to Work, Transition to Work and Flexible Childcare Assistance.

This funding will allow MSD to support more people to obtain and sustain employment and assist New Zealand’s economic recovery.

- Funding for MSD’s employment services and products will help people re-enter the workforce sooner, decreasing their time on benefit, and the negative social and wider wellbeing impacts of unemployment.
- It may help to mitigate the risk of people becoming long-term unemployed when they lose their jobs, as happened after the Global Financial Crisis.
- It will also contribute to supporting New Zealand ‘to become a productive sustainable and inclusive economy that raises the wellbeing of New Zealanders’ as stated in the Government’s Employment Strategy.
- It responds to the Welfare Expert Advisory Group (2019) report’s comment that ‘there is a need for increased focus by MSD and Work and Income on employment assistance, training and the acquisition of new skills to respond to the changing world of work.’

Costs (operating) \$m	2021/22	2022/23	2023/24	2024/25	TOTAL
	22.734	76.814			99.548