

# Ministry of Social Development - Departmental Price Pressures

Supporting the work of the Ministry of Social Development (MSD) by funding increased costs

Wellbeing Budget 2023

**This initiative helps address departmental price pressures affecting key aspects of MSD's operations by providing funding to meet increased costs of IT, property, and security guards.**

The Government is investing \$88.999 million over four years (2023/24 to 2026/27) to address cost pressures affecting key aspects of MSD's operations, including information technology, property, and maintaining security guard numbers at MSD sites.

- MSD's property portfolio and IT infrastructure are a critical part of the delivery of frontline services. These services support MSD's core business and are vital for MSD to maintain its current service levels. This funding allows MSD to meet the inflationary pressures on property and IT.
- IT inflationary pressures across delivery platforms include increases in costs for hardware and software licensing and maintenance, application support contracts, desktop and software as service contracts, and IT supplier contracts.
- MSD is in 147 sites across the country. Property costs mainly relate to funding for increases in rent for leased properties that the Ministry occupies. The funding will also help fund increases in other occupancy costs for energy, maintenance, cleaning, and consumables.
- This funding also allows MSD to retain security guard numbers at the current level of approximately 390 guards deployed daily.
- Security guards are critical in supporting MSD to meet legal obligations under the Health and Safety at Work Act (2015) to take all reasonably practicable steps to maintain safety for staff and clients.

Costs (\$m, operating)	2022/23	2023/24	2024/25	2025/26	2026/27	TOTAL
		18.620	22.347	23.411	24.621	<b>88.999</b>