

# Ministry of Social Development - Service Delivery Cost Pressures

**Supporting the ability of the Ministry of Social Development (MSD) to respond to increasing need for employment services and other client support**

**Wellbeing Budget 2023**

**This initiative funds a range of cost pressures being experienced by MSD's frontline services.**

**The Government is investing \$67.065 million over three years (2023/24 to 2025/26) to support an increase in clients for the Transition to Work and the \$5k to Work programmes, and to respond to inflationary and volume pressures for 0800 call costs, letters, and MSD payment cards.**

- There are more clients receiving a benefit as well as record numbers of clients exiting benefits into paid work, increasing the demand for employment products to which clients are entitled if they meet the eligibility criteria.
- This initiative also responds to inflationary and volume pressures including 0800 call costs, letters and MSD payment cards. These cost pressures are demand driven and entitlement based.
- Transition to Work is a grant that pays for support for clients to find or start a job. The budget for this grant was 18% overspent in 2021/22, and in the year-to-date 30 April 2023, Transition to Work has had 75,126 grants.
- \$5k to Work is a lump sum payment of \$5,000 to help clients with the cost of moving to take up a new job. The budget for this payment was 106% overspent in 2021/22, and in the year-to-date 30 April 2023, \$5k to Work has had 3,472 grants.
- Given this initiative allows MSD to continue to meet sustained high demand for its services, it is expected to have positive impacts for client wellbeing.

Costs (\$m, operating)	2022/23	2023/24	2024/25	2025/26	2026/27	TOTAL
		29.355	29.355	8.355		<b>67.065</b>