



Cabinet Social Outcomes Committee

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Changes in Vote Social Development to fund Welfare that Works and Community Participation Services

Portfolio **Social Development and Employment**

On 19 June 2024, the Cabinet Social Outcomes Committee:

- 1 **noted** that Welfare that Works focuses on using the community sector to address the barriers to employment faced by young people aged 18 to 24 who are on the Jobseeker Support benefit and have been on the benefit for three months or more;
- 2 **noted** that the Minister for Social Development and Employment is committed to progressing Welfare that Works in 2024 as one of the levers to reduce the number of people on Jobseeker Support;
- 3 **noted** that achieving the Jobseeker reduction target is estimated to result in a net saving of \$2.3 billion over the forecast period;
- 4 **noted** that achieving the target involves implementing the first stage of Welfare that Works;
- 5 **noted** that the intent of the first phase is to reach a target of 2,000 additional places for young people with community providers, with the placements featuring coaching, needs assessments, and individual plans in varying degrees;
- 6 **noted** that to achieve these 2,000 additional places in 2024/2025, 1,000 will be funded from the Employment and Social Outcomes Multi-Category Appropriation, and the intention is to fund 1,100 additional placements at a total cost of \$9.450 million;
- 7 **noted** that it is anticipated that there will be a need to maintain service availability and workforce for community support services in 2024/25 to support more people with disabilities and health conditions to participate in their communities and employment, and in response to recommendations from the independent review into Disability Support Services;
- 8 **agreed** to rescind Cabinet's previous decision to include the 'Very High Needs', 'Community Participation', and 'Transition from School' funding streams from the 'Non-Departmental Output Expense: Community Participation Services' in personal budgets for eligible people in the initial phase of national implementation of the Enabling Good Lives approach [SWC-21-MIN-0146];

9 **noted** that the Ministry of Social Development (MSD) is anticipating non-departmental output expense underspends in 2023/24 as follows:

Vote Social Development Minister for Social Development and Employment	\$m – increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Non-Departmental Output Expenses: Community Participation Services Multi-category Expenses and Capital Expenditure Community Support Services	(25.161)	-	-	-	-
Non-Departmental Output Expenses: Community Connectors	(4.728)	-	-	-	-
Total Operating	(29.889)	-	-	-	-

10 **agreed in principle**, subject to paragraph 12 below, to transfer MSD underspends of up to the following amounts for Welfare that Works, as shown below:

Vote Social Development Minister for Social Development and Employment	\$m – increase/(decrease)				
	2024/25	2025/26	2026/27	2027/28	2028/29 & Outyears
Multi-category Expenses and Capital Expenditure Improved Employment and Social Outcomes Support					
Departmental Output Expenses: Improving Employment Outcomes (funded by revenue Crown)	4.450	-	-	-	-
Non-Departmental Output Expenses: He Poutama Rangatahi	5.000	-	-	-	-
Total Operating	9.450	-	-	-	-

11 **agreed in principle**, subject to paragraph 12 below, to transfer MSD underspends of up to the following amounts for Community Participation Services, as shown below:

Vote Social Development Minister for Social Development and Employment	\$m – increase/(decrease)				
	2024/25	2025/26	2026/27	2027/28	2028/29 & Outyears
Non-Departmental Output Expenses: Community Participation Services	18.410	-	-	-	-
Total Operating	18.410	-	-	-	-

12 **authorised** the Minister for Social Development and Employment and the Minister of Finance jointly to agree the final amounts to be transferred above, following completion of the 2023/24 audit financial statements, with no impact on the operating balance and/or net debt across the forecast period;

13 s 9(2)(f)(iv) [Redacted]

Jenny Vickers
Committee Secretary

Present:

- Rt Hon Winston Peters
- Hon David Seymour
- Hon Dr Shane Reti
- Hon Erica Stanford
- Hon Paul Goldsmith
- Hon Louise Upston (Chair)
- Hon Mark Mitchell
- Hon Melissa Lee
- Hon Nicole McKee
- Hon Penny Simmonds

Officials present from:

- Office of the Prime Minister
- Officials Committee for SOU