



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

Annual Report

Pūrongo ā-Tau

20 25

Introduction

Kupu Whakataki

This document contains the following two reports:

Ministry of Social Development Annual Report 2025

This report explains how the Ministry of Social Development (MSD) helped New Zealanders in the year from 1 July 2024 to 30 June 2025. The Annual Report is one of the key means by which MSD fulfils its accountability to Parliament and the public, and compliance with the reporting requirements set out in the Public Finance Act 1989. This Annual Report includes our service performance results and full financial statements for the year ended 30 June 2025.

This report is presented to the House of Representatives pursuant to section 44(1) of the Public Finance Act 1989.

Vote Social Development Non-Departmental Appropriations Report 2025

This report provides performance information relating to non-departmental expenditure within Vote Social Development that is administered on behalf of the Minister for Social Development and Employment. Although it is included in the same document as MSD's Annual Report for the purposes of presentation to Parliament and publication, it does not form part of the Annual Report.

This report is presented to the House of Representatives pursuant to section 19B of the Public Finance Act 1989 and commences on page 198.

This work is licensed under the Creative Commons Attribution 4.0.

In essence, you are free to copy, distribute and adapt the work, as long as you attribute the work to the Crown and abide by the other licence terms. To view a copy of this licence, visit: <https://creativecommons.org/licenses/by/4.0>. Please note that no departmental or governmental emblem, logo or Coat of Arms may be used in any way which infringes any provision of the Flags, Emblems, and Names Protection Act 1981. Attribution to the Crown should be in written form and not by reproduction of any such emblem, logo or Coat of Arms.

Published October 2025

Ministry of Social Development

PO Box 1556

Wellington 6140

New Zealand

Telephone: +64 4 916 3300

Email: info@msd.govt.nz

Web: msd.govt.nz

ISSN: 1178-3389 (online)

Contents

Ngā Kaupapa

Chief Executive’s foreword, including statement of responsibility	5
Te kupu takamua a Te Tumu Whakarae, me te tauākī kawenga	

About us	9
Mō mātou	
What we do	9
Our data and evidence systems	11
Our Ministers	11
Our funding	11

Progress on strategic intentions	13
Ngā kokenga o ngā takunetanga ā-rautaki	
Delivering to our strategies	14
Our outcomes framework	15
Our performance framework	16
Our Key Performance Indicators	18

Our work in 2024/25	26
Ā mātau mahi i te 2024/25	
Key stats for 2024/25	27
Implementing the Government’s priorities	28
New Zealanders participate positively in society and reach their potential	37
New Zealanders get the support they require	40
New Zealanders are resilient and live in inclusive and supportive communities	43
Enabling MSD people to help New Zealanders	46

Assessing our performance	47
Te aromatawai i ā mātou mahi	

Organisational health and capability	112
Te hauora ā-whakahaere me te mātau	
Our organisation	112
Our organisational values	113
Governance and risk management	114
Our people	116
Other reporting requirements	117
Ētahi atu herenga tuku pūrongo	
Treaty settlement commitments	117
Māori–Crown relations capability	117
Māori language planning – Te reo Māori revitalisation	118
Equal employment opportunities	118
Workforce diversity	119
Health and safety	122
Carbon Neutral Government Programme reporting	124
Asset performance	126
Delegation of functions or powers under the Public Service Act 2020	129
Child Protection Policy	129
Oranga Tamariki System Action Plan	129
MSD services for victims	130
Approved Information Sharing Agreements (AISAs)	132
Financial statements	138
Ngā Tauākī Pūtea	
Independent auditor’s report	192
Te pūrongo kaiōtita motuhake	
Vote Social Development Non-Departmental Appropriations Report 2025	198
Pōti Whakahiato Ora Te Pūrongo o ngā Tohanga Tūmataiti 2025	

Chief Executive's foreword, including statement of responsibility

Te kupu takamua a Te Tumu Whakarae, me te tauākī kawenga

We all want the same thing. Whether you are a job seeker, student or senior, and whether you work at or with MSD, we all want to live in resilient communities where whānau are safe, strong and independent – manaaki tangata, manaaki whānau. To lead an organisation with such an important purpose is a true privilege.

Over the course of my time working here, increasingly I have the view that social development and economic development are intrinsically linked. To not be linked risks the work we do in the social sector not being linked to an economic outcome, be that work, education or training. People not being able to participate in work, education or training increases the danger of them becoming increasingly marginalised and communities being less resilient. That is why we, and all those we work with, want to ensure people who can work can access the support they need to be independent. That help can include getting a job, making connections, getting access to education and training, or additional support.

The Government employment target – to reduce the number of people on Jobseeker Support by 50,000 by 2030 – has been challenging given the current economic conditions, but we continue to concentrate our resources on this because we know having a job is the best way for people to be financially independent. We are engaging more often, with more people, about work. The number of people who came off Jobseeker Support into work increased this year – an impressive achievement when unemployment is high. Investment in our frontline staff and employment programmes as part of Budget 2025 will help us redouble our employment efforts.

The joint Government housing target – to reduce the number of households in emergency housing by 75 percent – was achieved in December 2024. MSD's contribution was prioritising moving families with children out of emergency housing into more stable housing. This has seen 1,041 households with children get into stable housing. While the emergency housing system provides a crucial safety net, we continue to work on long-term solutions and tailored solutions for people with an urgent housing need.

In 2024, we welcomed Disability Support Services (DSS) to MSD. DSS has focused on stabilising the system and ensuring it can be an effective commissioner, funder and steward of high-quality services. Nationwide consultation has been crucial to seek feedback from the community and sector on the future of disability support services in New Zealand.

MSD is one of the agencies involved in improving the redress system for survivors of abuse in care. Redress has included a formal apology in November 2024, and an increase in average redress payments and the capacity of our Historic Claims team to process these payments.

Funding has now been committed for our multi-year transformation programme. We have begun introducing the much-needed technology and process changes that will make it easier for people to access our services in a way that works for them.

From 1 July 2025, we have a new set of strategic intentions to guide our work. These will be reported on in MSD's Annual Report 2026.

Looking back over my six years as Chief Executive of the Ministry of Social Development, I see an organisation that has adapted year upon year to respond to the changing needs of the community and government priorities. What has not changed is our commitment to the work we do and the people we serve.

My thanks to our people at MSD and all those we work with throughout the year.

Statement of responsibility

As Chief Executive of the Ministry of Social Development (MSD), I am responsible for:

- the preparation of MSD's financial statements and statements of expenses and capital expenditure, and for the judgements expressed in them
- having in place a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting
- ensuring that end-of-year performance information on each appropriation administered by MSD is provided in accordance with sections 19A to 19C of the Public Finance Act 1989, whether or not that information is included in this Annual Report
- the accuracy of any end-of-year performance information prepared by MSD, whether or not that information is included in the Annual Report.

In my opinion:

- The Annual Report fairly reflects the operations, progress and organisational health and capability of MSD.
- The financial statements fairly reflect the financial position of MSD as at 30 June 2025 and its operations for the year ended on that date.
- The forecast financial statements fairly reflect the forecast financial position of MSD as at 30 June 2025 and its operations for the year ending on that date.



Debbie Power | Chief Executive | Ministry of Social Development

30 September 2025

Te kupu takamua a Te Tumu Whakarae, me te tauākī kawenga

He ōrite ō tātou hiahia. Ahakoa he kairapu mahi, he ākonga, he kaumātua, ahakoa rānei ka mahi koe ki MSD, me MSD rānei, ko te hiahia kia noho tātou ki ngā hāpori manawaroa, e haumarū ai, e pakari ai, e motuhake ai hoki ngā whānau - manaaki tangata, manaaki whānau. He hōnore nui te ārahi i tētahi whakahaere me tēnei kaupapa hirahira.

I te roanga o taku wā mahi i konei, kua piki haere taku kite i te hononga waiwai o te whanaketanga pāpori me te whanaketanga ōhanga. Ki te kore e hono, ka mōrearea katoa ā mātou mahi i te rāngai pāpori, koi kore e tūhonotia atu ki tētahi putanga ōhanga, ahakoa he mahi, he mātauranga, he whakangungu rānei. Ki te kore ngā tāngata e āhei atu ki te mahi, te mātauranga, te whakangungu rānei, ka piki te mōrearea o te whakaparahakotia o taua hunga rā, ā, kua iti ake te manawaroa o ngā hāpori. Koinei mātou, me ō mātou hoa, e whakarite ana ki te āwhina i te hunga e hiahia ana ki te mahi kia āhei atu rātou ki ngā tautoko e hiahia ana rātou, otirā kia tū motuhake. Ko te āhua pea o taua āwhina, ko te whiwhi mahi, te hono ki ētahi atu, te āhei atu ki te mātauranga me te whakangungu, me ētahi atu tautoko rānei.

Ko te whāinga whiwhi mahi a te Kāwanatanga – ki te whakaiti i te tokomaha tāngata ka whiwhi i te takuhe Jobseeker Support mā te 50,000 hei te 2030 – he whāinga uaua, nā ngā āhuatanga ōhanga o te wā, engari kei te arotahi mātou i ngā rauemi ki tēnei whāinga nā te mea kei te mōhio mātou ko te whiwhi mahi te huarahi pai rawa e motuhake ai te noho o te tangata. He nui ake ngā wā, ā, he nui ake ngā tāngata e whai wāhi atu nei mātou, ā, ko te mahi te take. Ko te tokomaha o ngā tāngata e heke ana i te takuhe Jobseeker Support ki ngā tūranga mahi, kua piki i tēnei tau - he whāinga hirahira i te wā e teitei ana ngā tatauranga koremahi. He āwhinatanga te haumi ki ngā kaimahi aroākapa me ngā hōtaka whiwhi mahi, hei wāhanga o te Mahere Pūtea 2025, i ā mātou mahi whiwhi mahi.

Ko te whāinga ngātahi rapu whare a te Kāwanatanga – ki te whakaiti i te tokomaha o ngā whānau kei ngā nōhanga ohotata mā te 75 ōrau – i tutuki i te Tīhema 2024. Ko te wāhi ki a MSD, ko te whakaarotau i te nukuhanga o ngā whānau whai tamariki i ngā whare ohotata ki ētahi atu whare tūwhena. He 1,041 ngā whānau whai tamariki kua kuhuna e mātou ki ngā whare tūwhena. Ahakoa ka noho te pūnaha whare ohotata hei kupenga whakarauora waiwai, kei te whiriwhiri tonu mātou i ētahi otinga tauroa me ngā otinga motuhake mā te hunga e matea nui ana ki tētahi whare.

I te 2024, i pōhiritia e mātou ngā Ratonga Tautoko Whaikaha (DSS) ki MSD. Kua aro nui te DSS ki te whakawhena i te pūnaha me te whakarite kia whaihua tana noho hei kaiwhakarato, hei kaituku pūtea, hei kaitiaki hoki i ngā ratonga kōunga nui. He waiwai ki a mātou ngā whiriwhiri kōrero ā-motu ki te rapu kōrero whakahoki mai i te hāpori me te rāngai e pā ana ki te anamata o ngā ratonga tautoko whaikaha i Aotearoa.

Ko MSD tētahi o ngā tari e whai wāhi ana ki te hiki i te pūnaha paremata mā ngā mōrehu o te tūkino i roto i te pūnaha manaaki. I uru ki te utu paremata ko tētahi whakapāha ōkawa i te Nōema 2024, he pikinga o ngā pūtea paremata toharite me te raukaha hoki o tō mātou kāhui Historic Claims ki te tukatuka i ēnei utunga.

Kua tūturutia ngā pūtea ki tō mātou hōtaka whakaumu tau tini. Kua tīmata mātou ki te whakauru i ngā hangarau hou me ngā panoni tukanga e ngāwari ake ai mā te tangata ki te whakauru ki ā mātou ratonga, i runga anō i te tikanga e tika ana ki a rātou.

Atu i te 1 o Hūrae 2025, he huīnga rautaki koronga hou hei ārahi i ā mātou mahi. Ka pūrongotia ēnei i roto i te Pūrongo ā-Tau 2026 a MSD.

Ina titiro whakamuri ki aku tau e ono hei Tumu Whakarae mō Te Manatū Whakahiato Ora, e kite ana ahau i tētahi whakahaere kua urutau haere i ia tau ki te urupare ki ngā matea hurihuri a te hāpori me ngā whakaarotau kāwanatanga. Ko te mea kāore anō i panoni ko tō mātou pūmau ki ā mātou mahi me te iwi.

Aku mihi ki ō tātou kaimahi kei MSD, me te hunga katoa e mahi tahi nei matou i te roanga o te tau.

Te tauākī kawenga

Hei Tumu Whakarae mō Te Manatū Whakahiato Ora (MSD), e noho haepapa ana ahau mō:

- te whakarite i ngā tauākī pūtea me ngā tauākī whakapaunga a MSD, me ngā whakapaunga pūrawa, ā, tae atu ki ngā whakataunga kei roto
- te whakarite i tētahi pūnaha whakahaere rāroto kua hoahoatia hei whakarato whakaūnga whaitake ki te pono me te horopū o ngā pūrongo ahumoni
- te whakarite i ngā mōhiohio tutukinga mahi ā-tau mō ia tohanga ka whakahaeretia e MSD, i runga anō i ngā wāhanga 19A ki te 19C o te Public Finance Act 1989, ahakoa kei roto, kāore rānei i roto, aua mōhiohio i tēnei Pūrongo ā-Tau
- te tika o ngā mōhiohio tutukinga mahi ā-tau kua whakaritea e MSD, ahakoa kei roto, kāore rānei i roto, ngā mōhiohio i te Pūrongo ā-Tau.

Ki ōku whakaaro:

- Ka whakaata tika te Pūrongo ā-Tau i ngā whakahaere, ngā kokenga me te hauora ā-whakahaere me te mātau o MSD.
- Ka whakaata tika ngā tauākī pūtea i te tūnga ahumoni o MSD hei te 30 o Hune 2025, me āna whakahaere mō te mutunga o te tau i taua rā.
- Ka whakaata tika ngā tauākī pūtea matapae i te tūnga ahumoni matapae o MSD hei te 30 o Hune 2025 me āna whakahaere mō te mutunga o te tau i taua rā.



Debbie Power | Tumu Whakarae | Te Manatū Whakahiato Ora

30 o Hepetema 2025

About us

Mō mātou

MSD is the lead agency for providing public employment services to New Zealanders, supporting people to prepare for, find and stay in work. We are also the lead agency for managing and delivering New Zealand's welfare system, and delivering a range of other supports, including disability support services.

DSS was transferred to MSD in 2024 as part of the Government's response to the Independent Review of Disability Support Services.

Helping New Zealanders to be safe, strong and independent is at the centre of what we do.

We recognise the diverse needs of our clients and people we work with, including Māori, Pacific peoples, youth, seniors and disabled people, and prioritise those with the greatest need.

We develop and implement policy and measure the progress of social outcomes for New Zealanders.

As an agency of the Crown, we are committed to supporting and enabling Māori, whānau, hapū, iwi and communities to realise their own potential and aspirations.

Our work is not done alone. We work closely with many organisations and community groups who have the right connections and expertise to make a lasting difference in people's lives. We also take a leadership role in co-ordinating actions across social sector agencies.

Together we aim to make a positive impact on the lives of New Zealanders.

What we do

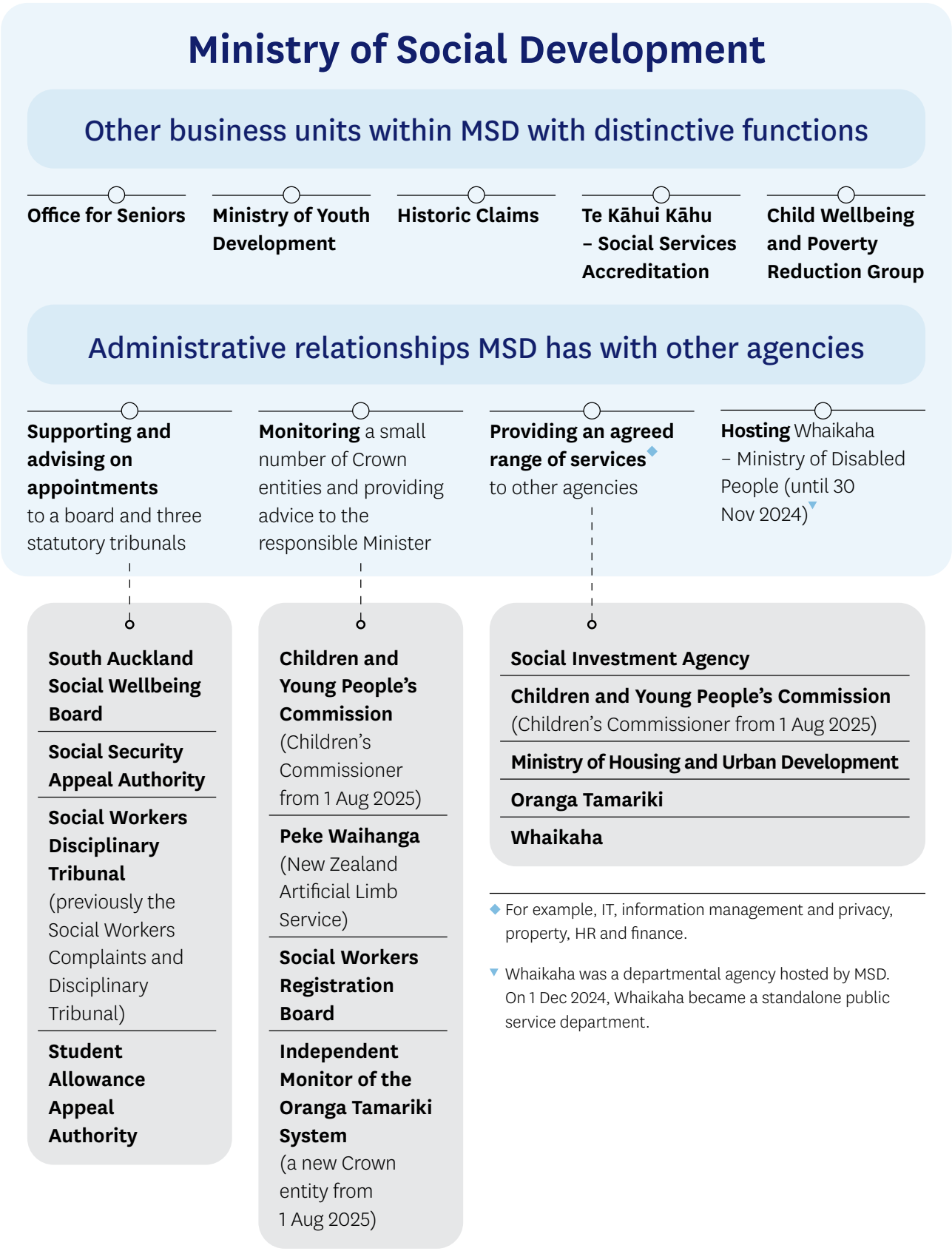
We are responsible for administering Vote Social Development. The vast majority of what we spend goes directly to clients and those providing services to them.

MSD helps New Zealanders by fulfilling a broad range of responsibilities and functions, including:

- providing employment services and support
- providing income support, including superannuation
- providing student allowances and student loans
- assessing eligibility for social housing (also known as public housing)
- designing, allocating funding to, and delivering community services with partners
- providing disability support services
- advising on child poverty reduction
- being the primary provider of social policy advice to the Government
- ensuring the legislation we administer is effective and fit for purpose
- working with other agencies and the wider social sector to deliver to the Government's priorities and targets and improve the lives of all New Zealanders
- working with iwi and Māori to support the Crown's obligations under the Treaty of Waitangi.

In addition to our core functions, MSD is responsible for a range of specialist business units and administrative relationships with other agencies, including those described in Figure 1.

Figure 1: MSD’s other distinctive functions and administrative relationships



Our data and evidence systems

MSD has a well-advanced data analytics programme with depth and breadth in analytical capabilities, methodologies and tools. Our mature approach to data-driven decision making is seen throughout our strategy, policy and investment work, as well as informing day-to-day frontline operations. Our programme draws from a wide range of sources, including research and evaluation, actuarial approaches and modelling, administrative and operational data, and frontline intelligence. We are known as sector leaders in the use of the Integrated Data Infrastructure (IDI), which is managed by Stats NZ.

An example is our Employment Assistance Evidence Catalogue, which has been developed and refined over recent years and includes effectiveness data from 1992. This is a world-leading impact evaluation, utilising the IDI and underpinned by evidence and evaluation. As well as being used by MSD to support employment investment decisions, the data is available publicly to support other decision makers and academic research. This rich body of evidence, along with other data, frontline intelligence and regional labour market analysis, informs our Employment Investment Strategy, which enables us to be targeted and efficient with available funding and improve outcomes for New Zealanders.

You can find our Employment Assistance Evidence Catalogue online: www.ea.analytics.msd.govt.nz.

Our Ministers

We are responsible to a number of Ministers, including the:

- Minister and Associate Minister for Social Development and Employment
- Minister for Disability Issues
- Minister for Child Poverty Reduction
- Minister and Associate Minister of Housing
- Minister for Seniors
- Minister for Youth
- Minister for the Prevention of Family and Sexual Violence
- Minister for Veterans
- Minister of Revenue.

Our funding

Our budgeted spending is approved by Parliament following the Budget announcement each year. The annual Vote Social Development Estimates of Appropriations details the funding allocated, policy initiatives approved, Ministers' spending intentions and how performance will be assessed. These may be amended in the Vote Social Development Supplementary Estimates of Appropriations during the year.

In September 2024, DSS moved from Whaikaha – Ministry of Disabled People to MSD, with its associated funding remaining in Vote Social Development. From 1 July 2025, this DSS-related funding moved to the new Vote Disability Support Services. MSD is also responsible for administering this Vote, which we will report against in our Annual Report 2026.

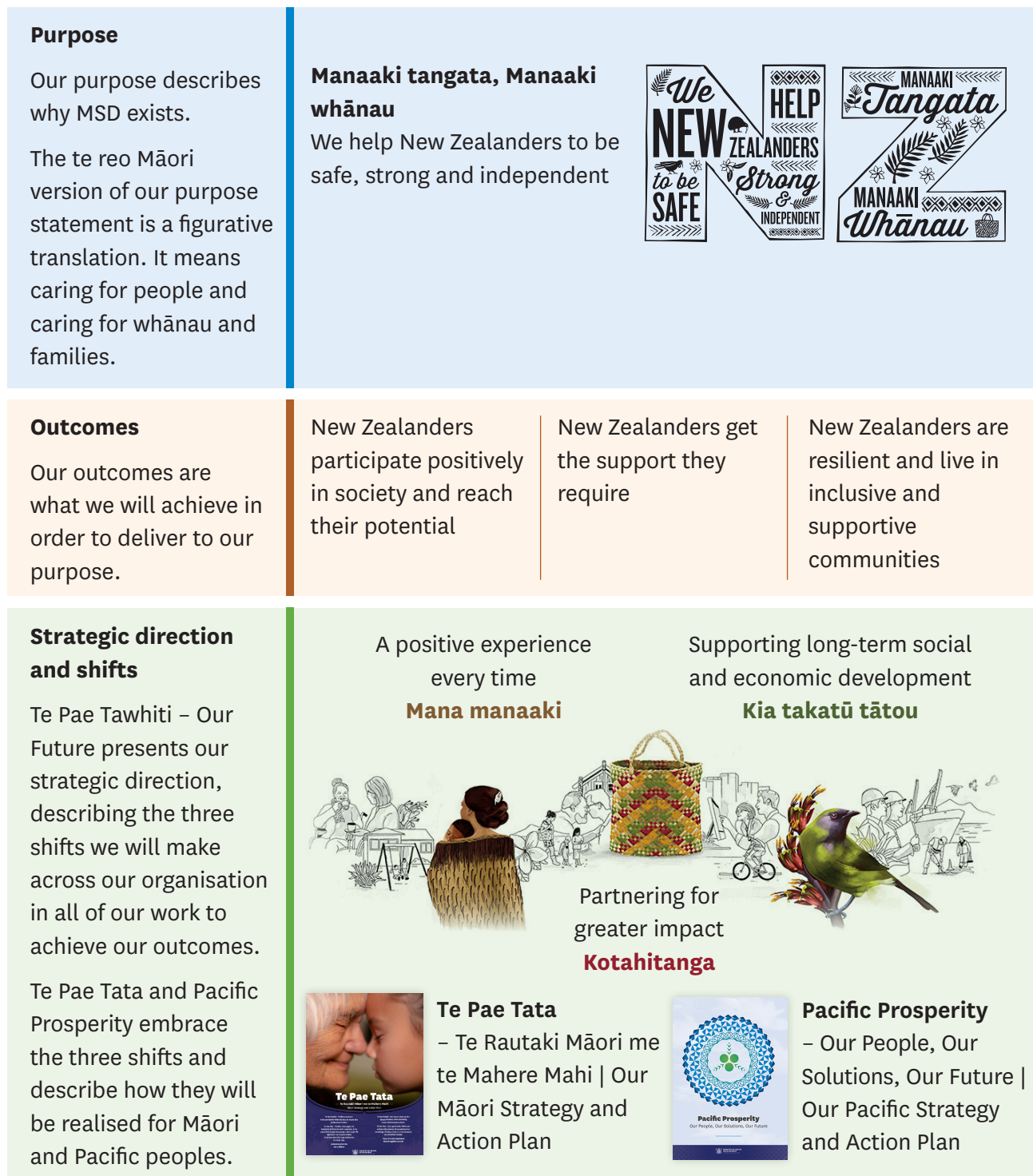
MSD also receives funding from some government agencies to provide accreditation services through Te Kāhui Kāhu and agreed corporate services. Full details of spending in 2024/25 can be found in the financial statements, commencing on page 138.

Progress on strategic intentions

Ngā kokenga o ngā takunetanga ā-rautaki

Our purpose, outcomes and strategies are what we want to achieve and are described in Figure 2.

Figure 2: Our strategic framework



Delivering to our strategies

Te Pae Tawhiti – Our Future is MSD’s foundational strategy, describing what we need to do to deliver to our three outcomes.

Te Pae Tata Māori Strategy and Action Plan and our Pacific strategy and action plan, Pacific Prosperity, are key enabling strategies, guiding MSD on what needs to be done to work together more effectively to improve social and wellbeing outcomes for Māori and Pacific peoples.

While progressing towards Te Pae Tawhiti – Our Future, MSD has continued to deliver to Te Pae Tata and Pacific Prosperity through our key areas of work (including employment, income support, housing and partnering) and MSD – services for the future.

We have strengthened collaborative relationships with other government agencies, iwi, Māori and communities to identify and improve social and wellbeing outcomes for Māori and Pacific peoples.

Our work to bring Te Pae Tata and Pacific Prosperity to life includes:

- supporting the Crown to deliver on its Treaty settlement commitments
- delivering to cross-government strategies such as Te Aorerekura – the National Strategy to Eliminate Family Violence and Sexual Violence
- growing our capability to support Māori and Pacific peoples through the development of the Whakatere ki Te Pae Tawhiti Framework and its tools, socialisation of the Māori and Pacific Engagement Guidelines, and ongoing Māori and Pacific capability activities
- developing regional service models to support whānau Māori and Pacific families in hardship
- growing and supporting Māori business network opportunities to help deliver sustainable employment outcomes
- development and ongoing delivery of the Supporting Pacific Peoples work programme, which enables the collective and organised implementation of Pacific Prosperity across MSD in partnership with key stakeholders. In 2024/25, this included updating the work programme to strengthen its evidence base and alignment with MSD’s key areas of work and Government Targets
- implementing community-led approaches to strengthen cultural responsiveness and prevent family violence in Pacific communities through Pasefika Proud
- ensuring that Māori and Pacific voices, advice and insights inform MSD work.

For more information about how we are delivering to our outcomes and strategies across our key areas of work, see pages 26 to 46.

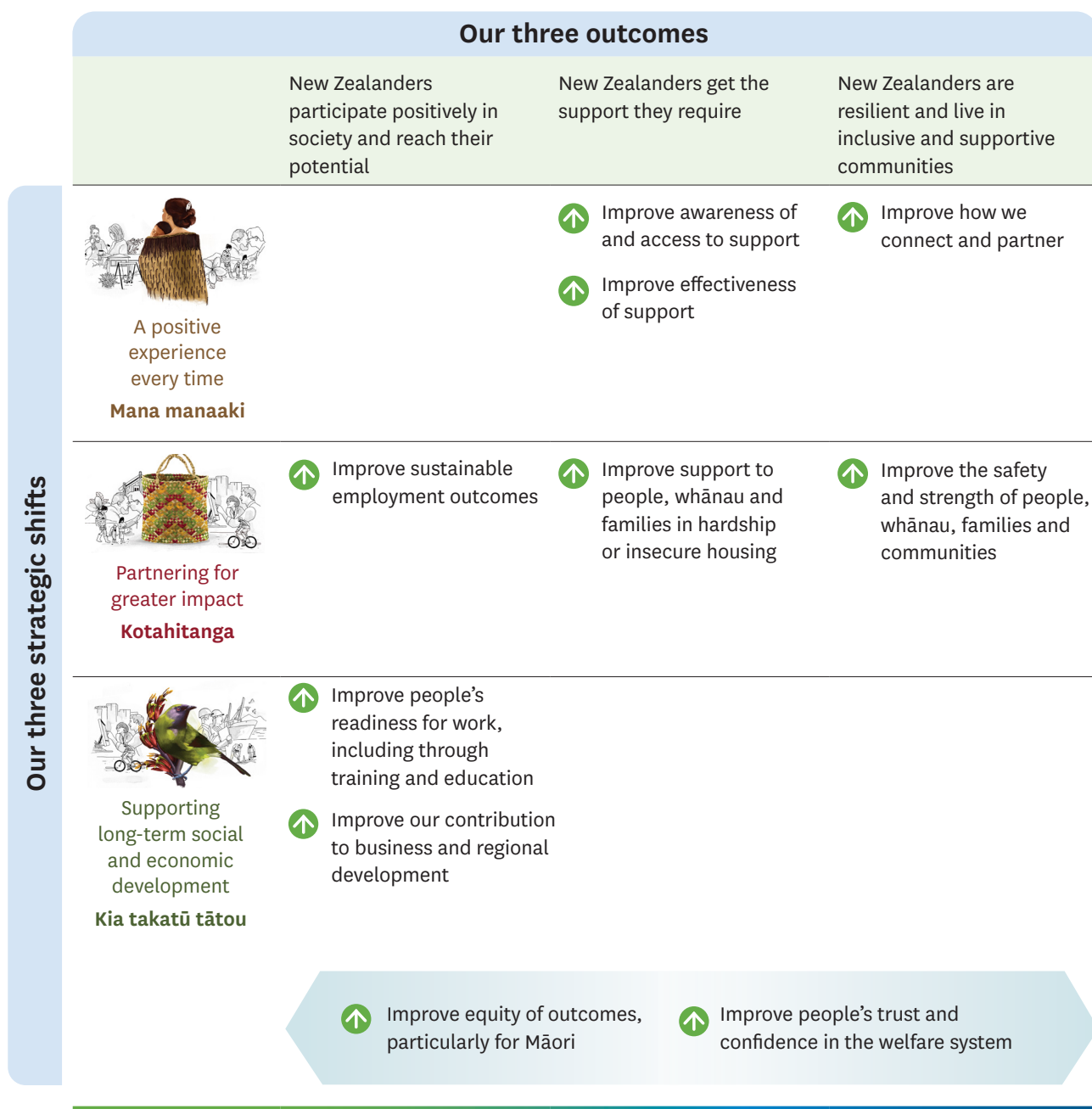
Our outcomes framework

Our outcomes framework (Figure 3) shows how we measure progress towards our strategic direction Te Pae Tawhiti – Our Future.

The visual format of the weave/raranga demonstrates how our three strategic shifts contribute to our three outcomes and how we measure this progress using the 10 impact statements.

Our impact statements outline our medium-term goals as set out in our Statement of Intent 2022–2026.

Figure 3: MSD's outcomes framework (weave/raranga)



We have reordered our three outcomes since our last Annual Report so that our employment-related outcome ‘New Zealanders participate positively in society and reach their potential’ comes first. This revised order of outcomes better reflects the Government and MSD’s priorities.

MSD’s new Strategic Intentions 2025–2029 came into effect from 1 July 2025. This includes six focus areas, refreshed impact statements and a new impact statement for the delivery of disability support services. These changes will be reflected in our updated outcomes framework for 2025/26.

Our performance framework

Our performance framework shows how we measure and report on our performance against our outcomes. We report on progress using Government Targets, Key Performance Indicators (KPIs) and Estimates performance measures.

There are nine Government Targets for public service agencies to contribute towards achieving by 2030. MSD supports the following targets:

- **50,000 fewer people on the Jobseeker Support benefit**
- **75 percent fewer households in emergency housing – jointly with the Ministry of Housing and Urban Development (HUD).**

These two targets are most directly reflected in three of our impact statements and associated KPIs as shown below in **blue** and **purple**.

Our 16 KPIs demonstrate progress towards our 10 impact statements. The results of our KPIs are on pages 18 to 25.

Figure 4 horizontally maps from outcomes and focus areas through to impact statements and associated KPIs. This mapping applies to 2024/25 only.

Figure 4: MSD’s impact statements and associated KPIs 2024/25

Our three outcomes	Our six focus areas	Our impact statements and associated KPIs
New Zealanders participate positively in society and reach their potential	Getting New Zealanders working	Impact statement: Improve sustainable employment outcomes KPI: Client outcome – Sustainable exits into employment KPI: Future reliance – Estimated average future years on a main benefit KPI: Effectiveness – Employment programmes Impact statement: Improve people’s readiness for work, including through training and education KPI: Effectiveness – Benefit exits following work-readiness intervention Impact statement: Improve our contribution to business and regional development KPI: Qualitative approach – Improve our contribution to business and regional development

Our three outcomes	Our six focus areas	Our impact statements and associated KPIs
New Zealanders get the support they require	Providing the income support people need	Impact statement: Improve awareness of and access to support KPI: Timeliness – End-to-end time to receive a financial benefit Impact statement: Improve effectiveness of support KPI: Accuracy – Accurate benefit entitlement assessments KPI: Debt – Average overpayment debt
	Supporting people with their housing needs	Impact statement: Improve support to people, whānau and families in hardship or insecure housing KPI: Effectiveness – Housing support resolution KPI: Timeliness – Time taken to be placed on the Public Housing Register (also known as the Social Housing Register)
New Zealanders are resilient and live in inclusive and supportive communities	Partnering with others	Impact statement: Improve how we connect and partner KPI: Partner experience – Partnering for youth development Impact statement: Improve the safety and strength of people, whānau, families and communities KPI: Client experience – Satisfaction with services addressing family violence KPI: Client experience – Effectiveness of services addressing sexual violence
	Providing services that disabled people need	(New impact statement and KPI to be added for 2025/26)
Across all three outcomes	Enabling MSD people to help New Zealanders (this focus area supports all our outcomes)	Impact statement: Improve equity of outcomes, particularly for Māori KPI: Equity – Ethnicity cohort data across our KPIs (Māori and Pacific peoples initially) Impact statement: Improve people's trust and confidence in the welfare system KPI: Client trust – Net trust score KPI: Client experience – Overall service score (these three overarching KPIs also apply across our five other focus areas)

Alongside our new Strategic Intentions 2025–2029, we have updated our suite of KPIs from 1 July 2025. This includes a new qualitative approach KPI for the delivery of disability support services. We will report against our updated KPIs in our Annual Report 2026.

Our Estimates performance measures track our delivery of the initiatives and services we are funded to provide against specific annual standards. The results of our Estimates performance measures are on pages 47 to 111.

Our Key Performance Indicators

Our outcomes framework (presented on page 15) shows how we measure progress towards our strategic direction Te Pae Tawhiti – Our Future.

We use 16 KPIs to collectively monitor progress towards our 10 impact statements. Nine impact statements have associated quantitative KPIs and the 10th is evaluated using a qualitative approach KPI.

Our KPIs are aligned with our Statement of Intent 2022–2026. For each of the 15 quantitative KPIs we have signalled how we are progressing towards our desired direction or standard, which is either:

- a long-term trend (for example, to decrease average overpayment debt), or
- a minimum level of performance (for example, employment programme effectiveness is no less than 90 percent).



10 out of 15 quantitative KPIs on track

In 2024/25, 10 of our 15 quantitative KPIs (66.7 percent) were judged to be ‘on track’. This compares with 12 out of 15 (80 percent) in 2023/24. We also have one qualitative approach KPI which is not included in this count. Our performance against these KPIs is outlined in Figure 5.

The on track indicator compares the 2024/25 result against the desired direction or standard. For assessment against a desired direction (i.e. increase or decrease) the 2024/25 result is compared with the 2023/24 result.

We assess progress against the 10th impact statement, ‘improve our contribution to business and regional development’, using a qualitative approach KPI to demonstrate the range of ways we support and encourage business and regional development.

Our KPIs measure progress against our long-term impacts with performance intended to improve over time. We regularly review our KPIs and desired directions or standards to ensure they align with our strategic direction. Alongside our new Strategic Intentions 2025–2029, we have updated our suite of KPIs from 1 July 2025. We will report against these in our Annual Report 2026.

Figure 5: Key Performance Indicators

Status indicators

On track	✓
Off track	✗

KPIs	Direction/ standard	2022/23	2023/24	2024/25	On track
Impact statement: Improve sustainable employment outcomes					
Client outcome: Sustainable exits into employment (Notes 1 and 2)	No less than 55%	All clients: 62.7%	All clients: 62.5%	All clients: 63.4%	✓
		Māori: 53.9%	Māori: 56.1%	Māori: 55.1%	✓
		Pacific: 62.1%	Pacific: 60.9%	Pacific: 62.0%	✓

Client outcome measures the percentage of clients who have exited a main benefit during the calendar year for reason of employment, following an employment intervention, and who did not access a main benefit again in the following six months.

The standard for this KPI was met for all clients, including Māori and Pacific peoples. Over the last three years sustainable exits have remained consistent and performance has been regularly above standard. This shows that we are continuing to use our employment tools and services to support clients to prepare for, find and stay in work.

Despite challenging economic conditions MSD continues to support clients into sustained employment. Maintaining a job reduces the number of people returning to a benefit and supports improved long-term outcomes for these clients.

Future reliance: Estimated average future years on a main benefit (Notes 3 and 5)	Decrease	All clients: 13.6	All clients: 13.4	All clients: 14.3	✗
		Māori: 16.2	Māori: 16	Māori: 16.9	✗
		Pacific: 14.8	Pacific: 14.3	Pacific: 15.4	✗

Future reliance measures the average number of future years each working-age main benefit client is estimated to be supported by a main benefit, until age 65.

The results are estimated by the Social Outcomes Model, which uses data from many agencies and economic assumptions to model how people move through the benefit system over their lifetimes.

The direction for this KPI was increasing for all clients, including Māori and Pacific peoples.

The three main contributors to performance not moving in the desired direction was because the latest findings from the model reflect:

- less favourable economic forecasts, including higher unemployment rates
- a higher proportion of people who exited a main benefit returned to a main benefit than projected last year
- a slightly lower proportion of people exited Jobseeker Support – Health Condition or Disability than projected in last year's model.

KPIs	Direction/ standard	2022/23	2023/24	2024/25	On track
Effectiveness: Employment programmes (Notes 4 and 5)	No less than 90%	Programmes: 94.5%	Programmes: 94.4%	Programmes: 94.9%	

Effectiveness measures the percentage of Employment Assistance (EA) programmes rated ‘effective’ or ‘promising’ using MSD’s evaluation model.

The standard for this KPI was met. Over the last three years the proportion of investment in effective programmes remained consistent and above standard.

EA programmes aim to help people to prepare for, find and stay in work. Effectiveness is based on whether participants experience better outcomes as a direct result of participating in an intervention, compared with if they had not participated.

Impact statement: Improve people’s readiness for work, including through training and education

Effectiveness: Benefit exits following work- readiness intervention (Notes 1 and 2)	No less than 2,500	All clients: 2,919	All clients: 2,880	All clients: 3,777	
---	-----------------------	--------------------	--------------------	---------------------------	---

Effectiveness measures the number of main benefit exits during the calendar year for reason of employment, following a work-readiness intervention. Work-readiness interventions are external services that help remove barriers to a client becoming ready for work. This measure does not include employment case management.

The standard for this KPI was met and performance has remained above standard over the last three years. In 2024/25, there was an increase of almost 900 people (31 percent) who exited a main benefit into work following a work-readiness intervention compared to 2023/24.

This KPI is a subset of our wider ‘exits from a main benefit for reasons of employment, following an employment intervention’ Estimates measure (see page 92) and the broader ‘exits into work’ numbers reported in MSD’s Benefit Fact Sheet on our website.

Impact statement: Improve our contribution to business and regional development

We assess progress against this KPI using a qualitative approach to demonstrate the range of ways we support and encourage business and regional development.

See the case study on page 39 for an example of how MSD partners with businesses across New Zealand to help them find the right people for their jobs.

KPIs	Direction/ standard	2022/23	2023/24	2024/25	On track
Impact statement: Improve awareness of and access to support					
Timeliness: End-to-end time to receive a financial benefit	Decrease	All clients: 14	All clients: 14.1	All clients: 14.4	✗
		Māori: 12.9	Māori: 12.9	Māori: 13.1	✗
		Pacific: 14	Pacific: 13.9	Pacific: 13.7	✓

Timeliness measures the average number of working days taken to pay working-age main benefit clients, from the first date of contact to the first date of payment. This includes the time taken for clients to provide all relevant information, which is outside MSD's control, and the time taken by MSD to process the application.

The direction for this KPI was increasing for all clients and Māori but has decreased for Pacific peoples. This has been consistent over the last three years.

During challenging economic times more people apply for main benefits. Almost 224,500 main benefits were granted in 2024/25, an increase of more than 16,000 (7.9 percent) from 2023/24. This increases demand for our frontline services and impacts on our ability to maintain our processing timeliness (see page 93).

Timeliness is also impacted by the time taken for clients to provide their information. To support our clients, we offer a range of channels for submitting information and regularly assess the usability and functionality of MyMSD to make it easier for clients to inform us of changes.

In 2024/25, we made enhancements to our client operating model, focusing on improvements to our new application process and increasing face-to-face interaction, to clearly communicate what is required from the client at the start of the application process.

Impact statement: Improve effectiveness of support					
Accuracy: Accurate benefit entitlement assessments (Note 6)	No less than 95%	All clients: 82.7%	All clients: 77.6%	All clients: 78.8%	✗
		Māori: 82.4%	Māori: 74.8%	Māori: 78.9%	✗
		Pacific: 80.4%	Pacific: 74.1%	Pacific: 75.1%	✗

Accuracy measures the percentage of working-age benefit entitlement assessments that are processed correctly based on a representative sample of completed applications.

MSD did not meet this KPI. Our accuracy performance remains below our standard for all clients, including Māori and Pacific peoples, but this has improved from 2023/24.

There are a range of factors that contribute to our benefit entitlement accuracy results, including case complexity, staff having to navigate multiple frontline systems, and the need to strengthen our internal capability and quality supports. This is particularly prevalent in some supplementary payments such as Disability Allowance and Temporary Additional Support (TAS). This is where we have the most opportunity to improve.

During 2024/25, we increased our focus on quality assessments, developed consistent guidelines and processing standards for TAS, and supported staff capability through increased collaboration and knowledge sharing.

We also implemented an accuracy improvement plan with an initial focus on TAS as this is a high-impact area for volume and complexity.

Following the first phase of the plan we are starting to see improvements in performance. We will continue to work to improve assessment accuracy, so our clients receive accurate entitlements.

KPIs	Direction/ standard	2022/23	2023/24	2024/25	On track
Debt: Average overpayment debt (Note 7)	Decrease	All clients: \$2,850	All clients: \$2,948	All clients: \$3,040	✗
		Māori: \$3,248	Māori: \$3,370	Māori: \$3,497	✗
		Pacific: \$3,296	Pacific: \$3,389	Pacific: \$3,461	✗

Debt measures the average amount of overpayment debt per client (current and former) for people who have overpayment debt with MSD.

The direction for this KPI is increasing. The average overpayment debt per person continues to increase year on year despite MSD's overall debt recovery also continuing to increase. Challenging economic circumstances impact the ability of those with debt to sustain repayments.

MSD is aware of the impacts of overpayment debt on clients' wellbeing and continues work on ensuring that no new debt is created. Where debt exists, MSD is engaging with clients to encourage and support manageable and sustainable repayment arrangements. This is supported by increasing staff capability around debt management conversations and improved self-service options for those who have exited the benefit system.

Impact statement: Improve support to people, whānau and families in hardship or insecure housing

Effectiveness: Housing support resolution (Notes 8, 9, 10 and 11)	No less than 70%	All clients: 88%	All clients: 90.3%	All clients: 92.1%	✓
		Māori: 86.5% (Disclosure 1)	Māori: 89.1% (Disclosure 1)	Māori: 90.9%	✓
		Pacific: 88.7% (Disclosure 1)	Pacific: 89.6% (Disclosure 1)	Pacific: 92.0%	✓

Effectiveness measures the percentage of people who are not on the Housing Register, or have not received an Emergency Housing Grant, 90 calendar days after receipt of a Housing Support Product (HSP). HSPs provide financial assistance to vulnerable households to help them obtain or maintain a tenancy.

The standard for this KPI was met. Over the last three years we have seen continued improvement in effectiveness across all clients, including Māori and Pacific peoples.

Increasing the scope and adequacy of HSPs has allowed us to continue to support people out of emergency and transitional housing. We have continued to utilise HSPs in conjunction with supporting pathways out of emergency housing and into viable alternatives such as private rentals or social housing.

Timeliness: Time taken to be placed on the Public Housing Register (Notes 8, 12 and 13)	No more than 30 working days	All clients: 27	All clients: 25	All clients: 17	✓
		Māori: 27	Māori: 27	Māori: 17	✓
		Pacific: 27	Pacific: 23	Pacific: 20	✓

Timeliness measures the average working days to have a live application placed on the Public Housing Register from first requesting assistance with emergency housing.

The standard for this KPI was met. Over the last three years we have seen continued improvement in timeliness for all clients, including Māori and Pacific peoples, with the greatest improvement occurring in 2024/25.

The introduction of the Priority One category on the Public Housing Register has enabled us to support more families with children out of emergency housing and into social housing. We also continue to focus on ensuring that all clients in emergency housing have a public housing assessment conducted in a timely manner.

KPIs	Direction/ standard	2022/23	2023/24	2024/25	On track
Impact statement: Improve how we connect and partner					
Partner experience: Partnering for youth development (Note 14)	No less than 80%	Providers: 95%	Providers: 98.5%	Providers: 95.3%	✓
Partner experience measures the percentage of providers who report that interacting with the Ministry of Youth Development (MYD) was a 'good' or 'very good' experience. The standard for this KPI was met and performance has been consistently above standard over the last three years. The positive rating reflects MYD's increased relational approach, which includes: • quality, early and consistent communication • timely support and guidance • field visits and understanding of provider perspectives.					
Impact statement: Improve the safety and strength of people, whānau, families and communities					
Client experience: Satisfaction with services addressing family violence	No less than 80%	All clients: 96.6%	All clients: 95.4%	All clients: 96.2%	✓
Client experience measures clients' satisfaction with the addressing family violence services they received. The standard for this KPI was met. Over the last three years satisfaction has remained consistent and performance has been regularly above standard. Family Violence Response Services has a flexible model which enables providers to deliver a range of responses that meet the needs of people in their communities, including providing counselling, social work support and Kaupapa Māori programmes. The result indicates that this approach to service delivery successfully meets the diverse needs of victims/survivors.					
Client experience: Effectiveness of services addressing sexual violence	No less than 80%	All clients: 91.4%	All clients: 88.6%	All clients: 86.8%	✓
Client experience measures clients' rating of the effectiveness of the services addressing sexual violence they received. The standard for this KPI was met. Over the last three years the effectiveness rating has decreased but remains above standard. There was ongoing demand for Sexual Violence Crisis Support Services in 2024/25. The result indicates that the range of supports that victims/survivors receive through the service continues to meet their needs, including having access to a specialist crisis support worker 24/7, and face-to-face and remote crisis counselling.					

KPIs	Direction/ standard	2022/23	2023/24	2024/25	On track
Impact statement: Improve equity of outcomes, particularly for Māori					
Equity: Ethnicity cohort data across our KPIs (Māori and Pacific peoples initially)	Increase	Māori: 4/9	Māori: 6/9	Māori: 5/9	✗
		Pacific: 4/9	Pacific: 7/9	Pacific: 6/9	✗

Equity is measured by the number of KPIs that are on track for Māori and Pacific peoples. Ethnicity data is not available for some KPIs for a variety of reasons, such as limitations due to contracting arrangements. Data was available for nine of our KPIs this year.

The direction for this KPI decreased for both ethnicity cohorts. In 2024/25, four KPIs were off track for all clients and Māori. Three of these KPIs were off track for Pacific peoples, with end-to-end time to receive a financial benefit on track for Pacific peoples.

Te Pae Tata and Pacific Prosperity contribute through progressing collaborative relationships and collective action across MSD. This helps build a shared commitment to improving social and wellbeing outcomes for Māori and Pacific peoples.

Impact statement: Improve people's trust and confidence in the welfare system					
Client trust: Net trust score (scored from -100 to +100)	Increase	All clients: 43.3	All clients: 46.3	All clients: 48.1	✓
		Māori: 34.1	Māori: 36.4	Māori: 36.8	✓
		Pacific: 45	Pacific: 47.8	Pacific: 51.4	✓
Client experience: Overall service score (scored from 0 to 10)	Increase	All clients: 8	All clients: 8.1	All clients: 8.2	✓
		Māori: 7.8	Māori: 7.9	Māori: 8.1	✓
		Pacific: 7.9	Pacific: 8.1	Pacific: 8.3	✓

Client trust and experience is measured through our Heartbeat survey, which is sent to clients following their engagement with MSD (see page 49).

The direction for both KPIs was increasing. Over the last three years we have seen continued improvement in trust and experience ratings across all clients, including Māori and Pacific peoples.

Client experience scores were also high for our largest client groups, with overall service scores of 8.6 for New Zealand Superannuation recipients and 8.3 for Jobseeker Support clients in 2024/25.

These results show that our clients trust, and have positive interactions with, MSD.

Disclosure 1: In 2024/25, MSD identified an error in how the ethnicity cohort results for this KPI were calculated. This has meant that previous ethnicity cohort results have been underreported. These are corrected figures and differ from what was publicly reported in MSD's 2023 and 2024 Annual Reports.

Note 1: MSD offers several main benefits such as Jobseeker Support, Supported Living Payment and Sole Parent Support.

Note 2: Clients will appear multiple times if they exit a main benefit multiple times and have been assessed for pre-exit activity each time. As the measurement of clients not accessing a main benefit again is taken six months after each exit, those included in this count have exited a main benefit within the calendar year rather than the financial year. This is to show a full financial year result for these measures.

Note 3: These estimates consider the historical, current and estimated future dynamics of the benefit system. The result is an average figure across all main benefit types. Changes to the dynamics of the benefit system will impact the estimated future years on benefit in different ways for different benefit types. For example, year-on-year increases in the rate at which people exit the benefit system into sustainable employment would reduce the average estimated future years on a main benefit for Jobseeker Support – Work Ready clients.

Note 4: Employment Assistance programmes aim to help people prepare for, find and stay in work. Effectiveness is measured against up to five outcome domains: net income earned, time in employment, highest qualification gained, time in corrections services, and income support expenditure. An ‘effective’ rating means that the intervention has significant positive overall impacts on one or more outcome domains, and no negative impacts for any other domain. ‘Promising’ indicates that the intervention is expected to have a significant positive overall impact over the medium-to-long term.

Note 5: These results are not official statistics. They have been created for research purposes from the IDI. For more information about the IDI please visit: www.stats.govt.nz/integrated-data/. The results are based in part on tax data supplied by Inland Revenue to Stats NZ under the Tax Administration Act 1994 for statistical purposes. Any discussion of data limitations or weaknesses is in the context of using the IDI for statistical purposes and is not related to the data’s ability to support Inland Revenue’s core operational requirements.

Note 6: ‘Benefit’ refers to the main and supplementary benefits that MSD offers, such as Jobseeker Support and Accommodation Supplement.

Note 7: Overpayment debt is established when a person has received payments to which they were not entitled. Also, in some cases, overpayments are identified as a result of receiving new client information from other Crown agencies. When MSD identifies an overpayment, it is reviewed to determine whether the debt is recoverable as set out in section 362 of the Social Security Act 2018 and regulation 207 of the Social Security Regulations 2018. As at 30 June 2025, there were 449,733 current and non-current clients with overpayment debt.

Note 8: The Housing Register is a record of New Zealanders who are not currently in social housing and who have been assessed as being eligible.

Note 9: Emergency Housing Grants (previously called Emergency Housing Special Needs Grants) help individuals and families with the cost of staying in short-term accommodation if they are unable to access a contracted transitional housing place.

Note 10: HSPs are individual products that provide financial assistance for clients needing help to obtain and retain rental housing. Most HSPs are recoverable grants, which include moving costs, bond and rent in advance. Some HSPs are non-recoverable grants, including transitions to alternative housing, which is an incentive payment for clients who are ready and able to move out of social housing and into alternative housing.

Note 11: To avoid double counting, people who may have gone onto the Housing Register and moved into social housing (or emergency housing) in the 90 calendar days after receipt of an HSP will be counted only as being in social housing or emergency housing.

Note 12: The Public Housing Register (also known as the Social Housing Register) is a record of New Zealanders who are in need of social housing and comprises a Housing Register and a Transfer Register.

Note 13: The Transfer Register is made up of people already in social housing, but who have requested and are eligible for a transfer to another property.

Note 14: Data for this measure is collected through quarterly provider reporting. The ratings are: ‘very bad’, ‘bad’, ‘neither bad nor good’, ‘good’ or ‘very good’.

Our work in 2024/25

Ā mātau mahi i te 2024/25

This section describes how we have worked towards implementing the Government's priorities and achieving each of our three outcomes in 2024/25, broken down by focus area. These three outcomes are:

- New Zealanders participate positively in society and reach their potential
- New Zealanders get the support they require
- New Zealanders are resilient and live in inclusive and supportive communities.

Some of the figures in this section have been rounded.

New Zealand's changing population and economic conditions are increasing demand on the welfare system

New Zealand's population continues to age and grow, which is leading to a rising number of people accessing New Zealand Superannuation and an increase in this expenditure. For 2024/25, this expenditure was \$23.191 billion (\$1.617 billion more than 2023/24), accounting for over half of the funding in Vote Social Development. Around 941,500 people were receiving New Zealand Superannuation in June 2025, an increase from 809,000 five years earlier, and 677,900 five years before that.

The New Zealand economy has been experiencing a prolonged period of flat activity. The recent economic slowdown has seen unemployment steadily rise to reach 5.2 percent at the end of June 2025. The number of people receiving a main benefit reached 406,100 people, a 6.6 percent increase on the previous year.

Clients often have multiple needs, and for some groups the complexity of the challenges they face is increasing.

Government priorities inform our work

The Government's vision is for a sustainable welfare system that provides a safety net for those in need, while supporting individuals and families into work and lives of greater independence, choice and opportunity.

The Social Security Act 2018 emphasises that given the impact on wellbeing for individuals and their families, everyone who can work, should work.

Our focus continues to be on supporting people into work and making sure New Zealanders can access the support they need at the right time. By intervening early, we can provide New Zealanders with the support they need to move towards independence.

Key stats for 2024/25

Almost every New Zealander, at some point in their lives, will receive support from MSD



At the end of June 2025

1,432,300

New Zealanders were receiving income support, including:



941,500

receiving New Zealand Superannuation, and



406,100

receiving a main benefit



In 2024/25

80,800

people exited a main benefit into work



In 2024/25, MSD answered

4,403,300

calls



In 2024/25, MSD processed

271,500

Student Loan and Student Allowance applications



In 2024/25, MSD funded community support services accessed by

94,639

people



In 2024/25, MSD funded disability support services accessed by

55,982

people



As at 30 June 2025

216,000

people were receiving Jobseeker Support



As at 30 June 2025

501

households were in emergency housing

Implementing the Government's priorities

Government Targets

In April 2024, the Government announced nine targets for agencies across the public service to contribute towards achieving. MSD is the:

- lead agency for Target 5: 'Fewer people on the Jobseeker Support benefit'
- co-lead agency for Target 8: 'Fewer people in emergency housing', alongside HUD.

MSD's work also supports Target 3: 'Reduced child and youth offending' and Target 4: 'Reduced violent crime'. The section 'Partnering with others' on pages 43 to 45 outlines the work we do to contribute to these targets.

More information on the Government Targets can be found online: www.dpmc.govt.nz/our-programmes/government-targets.

Fewer people on the Jobseeker Support benefit

Jobseeker Support – Work Ready numbers are primarily influenced by economic conditions. The Budget Economic and Fiscal Update (BEFU) released in May 2025 shows the number of people receiving this benefit is forecast to remain elevated throughout 2025 before decreasing as economic conditions improve.

Also, the number of people receiving Jobseeker Support – Health Condition or Disability is expected to increase over the five years to June 2029. While the anticipated future improvement in economic conditions should make it easier to find and retain work, assisting this cohort into employment often requires working alongside health services and developing targeted support.

MSD has implemented a range of initiatives to support New Zealanders into employment. Despite the economic challenges, the number of people who exited Jobseeker Support into employment has increased this year (70,323 compared to 59,718 in 2023/24).

The section 'Getting New Zealanders working' on pages 37 to 39 outlines more detail on our work towards achieving this target.

Target (by 2030)

140,000

people on the
Jobseeker
Support benefit

Baseline (end of December 2023)

190,000

As at 30 June 2024

196,400

As at 30 June 2025

216,000

BEFU forecast
for June 2025:
212,700

Progress from baseline

+26,000



Fewer people in emergency housing

This target includes households receiving Emergency Housing Grants from MSD and households in Contracted Emergency Housing, which is administered by HUD.

The Government Target has been met. The reduction has been supported by a range of initiatives, including:

- implementing the Emergency Housing Gateway changes
- introducing the Priority One category on the Social Housing Register
- expanding MSD’s suite of HSPs
- continuing MSD’s emergency housing support services
- continuing supporting people to find better housing arrangements and to stay in housing.

The section ‘Supporting people with their housing needs’ on pages 41 to 42 outlines more detail on our work towards achieving this target.

Target (by 2030)	Baseline (end of December 2023)	As at 30 June 2024	As at 30 June 2025	Progress from baseline
75% fewer households in emergency housing	3,141	2,133	501 For MSD’s component: • Total as at 30 June 2025: 459 • BEFU forecast for June 2025: 496	-2,640 

Other Government and ministerial priorities

We have supported improving the redress system for survivors of abuse in care

MSD has continued to support the Government’s response to the Royal Commission of Inquiry into Abuse in Care recommendations. Over 2024/25, this has included:

- formally apologising to survivors of abuse and neglect while in the care of Child, Youth and Family or its predecessors (delivered by Debbie Power as Chief Executive of the Ministry of Social Development on 12 November 2024, alongside the Prime Minister and six other public sector leaders)
- contributing to the Crown Response Plan, which sets out how the Government is responding to the Royal Commission’s recommendations
- supporting Ministers to deliver a Crown Response Budget package, which provides significant investment into strengthening the care system and improving redress for survivors of abuse in state care.

MSD also continues to support cross-government work aimed at improving the safety of the care system, in response to the Royal Commission's recommendations. Since the release of the Royal Commission's report, Te Kāhui Kāhu (Social Services Accreditation) has mapped the relevant recommendations to the Social Sector Accreditation Standards (SSAS) and is working on improvements to the current accreditation guidance for providers to support the continued delivery of safe, quality social services.

Through Budget 2025, the newly established Vote Disability Support Services received funding for initiatives that will support work to make the current care system safer, including additional audits on the quality of disability support services and system improvements for complaint and incident management systems.

MSD has a commitment to continuous improvement for our historic claims processes, and we met or exceeded our performance measure standards for 2024/25, as outlined on page 56. We have received funding to increase the average redress payment, increase capacity to process claims, and provide top-up payments for previously settled claimants to ensure consistency across claims handled by agencies. We also led the establishment of both a webpage and phone line to support survivors seeking a top-up payment.

Child poverty reduction

MSD provided advice to support the Minister for Child Poverty Reduction in setting the third intermediate targets (for the period 2024/25–2026/27) on the three primary child poverty measures. The Minister also set the first persistent poverty targets under the Child Poverty Reduction Act in December 2024. This followed the development of a child poverty persistent measure by Stats NZ.

The Children's Act 2014 requires the Government to adopt a strategy for improving the wellbeing of children. MSD undertook work to support the development of a refreshed strategy (The Child and Youth Strategy 2024–2027), which was published in November 2024 and can be found online: www.msd.govt.nz/about-msd-and-our-work/child-wellbeing-and-poverty-reduction/child-youth-strategy/index.html.

The strategy sets out a vision, outcomes and three priorities that will drive cross-government work, inform investment decisions and ensure progress is measured. The three priorities are:

- supporting children and their families and whānau in the first 2,000 days
- reducing child material hardship
- preventing harm against children.

The strategy provides a framework for action and investment across government, with a focus on prevention and early intervention to address underlying risk and protective factors that influence a range of outcomes throughout childhood and beyond.

The first Annual Report on the refreshed strategy was released in April 2025, covering 2023/24, and can be found online: www.msd.govt.nz/about-msd-and-our-work/child-wellbeing-and-poverty-reduction/reporting.html.

Baseline savings

All departments are required to set out the amount saved through their Budget 2024 Initial Baseline Exercise (IBE) and how they achieved these savings, including contractor and consultant savings.

Reduction in departmental, non-departmental and Benefits or Related Expenses (BoRE)

MSD's departmental baseline was reduced by \$40.291 million in 2024/25 as a result of the Budget 2024 IBE. We achieved this reduction through the following savings initiatives:

- Workforce Reduction (\$16.943 million)
- Contractors and Consultants (\$15.650 million)
- Operating Funding Reduction (\$6.070 million)
- Minimum Wage Exemption – Discontinuation of Wage Supplement (\$1.039 million) – as outlined below, this initiative also contains non-departmental savings
- Several Time-Limited Initiatives (\$0.589 million) – as outlined below, these initiatives also contain non-departmental savings.

For non-departmental expenditure, \$20.552 million of savings were made in the 2024/25 year from the following savings initiatives:

- Minimum Wage Exemption – Discontinuation of Wage Supplement (\$10.301 million)
- Several Time-Limited Initiatives (\$9.198 million)
- Community Innovation Fund (\$1 million)
- Crown-Funded Costs – Social Workers Registration Board (\$0.053 million).

For BoREs, the following savings initiative was introduced through Budget 2024:

- Emergency Housing – Tightening Gateway Settings and Continuing Support Services. This initiative contributed to the following BoRE savings in 2024/25:
 - \$61.140 million recognised through Budget 2024
 - an additional \$230.041 million recognised through Budget 2025.

The following Budget 2024 savings initiative is not listed above, as it does not realise savings until the 2025/26 financial year: Including Boarders' Contributions in Calculation of Subsidies for Private and Social Housing.

Further information on Budget 2024 initiatives can be found online in the Budget 2024 Summary of Initiatives: www.treasury.govt.nz/sites/default/files/2024-06/b24-sum-initiatives.pdf.

Reduction in expenditure on contractors and consultants

Total contractor and consultant expenditure for 2024/25 was \$33.659 million, a reduction of \$59.008 million compared to 2023/24 (\$92.667 million). In 2024/25, this represented 3.9 percent of total workforce costs, compared to 9.8 percent the previous year.

MSD's savings target of \$15.650 million as set out in Budget 2024 was achieved and returned. The remaining reduction reflects the conclusion of time-limited funding and reprioritisation to support workforce capability and cost pressures.

Major spending decisions

Cabinet has established an enduring system for monitoring and reporting on major operating spending decisions of government, which are subject to additional reporting requirements.

Budget 2024

The major spending decision from Budget 2024 for MSD was the Apprenticeship Boost Continuation, a multi-agency collaboration. The Ministry of Education is responsible for the initiative's policy, the Tertiary Education Commission checks eligibility, and MSD manages applications and payments.

Forecast expenditure from Budget 2024 for Apprenticeship Boost was \$32 million for 2024/25, and actual expenditure was \$48 million. The reason for this variation is mainly due to a carry forward of funding from the previous year.

Information on the deliverables and results of this initiative can be found in the Ministry of Education's Annual Report 2025.

For MSD's role in administering the scheme, performance measurement relating to the accuracy of processing Apprenticeship Boost payments is outlined on page 93.

Budget 2025

The major spending decision from Budget 2025 for MSD is the Employment Services – Investing in Frontline Staff and Employment Programmes. This initiative enables MSD to maintain critical employment spending for the next two years, to help get more people into work and make progress towards the Jobseeker Support reduction Government Target.

Allocated funding

	2024/25 (\$m)	2025/26 (\$m)	2026/27 (\$m)	2027/28 (\$m)	2028/29 & outyears (\$m)	Total (\$m)
Vote Social Development Operating Expenditure						
Costs	-	148.271	177.629	17.400	-	343.300
Gross savings	-	(35.964)	(126.465)	(174.880)	(153.246)	(490.555)
Total net	-	112.307	51.164	(157.480)	(153.246)	(147.255)
Vote Social Development Capital Expenditure						
Total	-	2.104	0.406	-	-	2.510

Performance indicators

MSD provided a monitoring and evaluation plan for the initiative to the Minister for Social Development and Employment and the Minister of Finance at the end of June 2025. The plan included the following indicators for the three key components of the initiative:

Employment interventions that are a continuation of services

Short-term indicators

- Exits from a main benefit into employment.

Medium to long-term indicators

- Sustained employment.
- Where possible, the effectiveness rating of each of the employment programmes funded by the Budget 2025 initiative. Effectiveness is measured against up to five outcome domains: net income earned, time in employment, highest qualification gained, time in corrections services, and income support expenditure.

Employment case management

Face-to-face case management was found to be effective at achieving employment outcomes when it was last evaluated in 2019. The evaluation report can be found online: www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/evaluation/intensive-case-management-services/evaluation-report-june-2019-intensive-case-management-services-from-october-2012-to-july-2017.pdf.

MSD will monitor the effectiveness of case management, including for priority cohorts.

Expansion of Community Job Coaches

Short-term indicators

- The number of participants in the year to date of reporting.
- Exits from a main benefit into employment.

Medium to long-term indicators

- The number of clients who received a bonus payment for remaining in employment for 12 months after exiting a benefit.
- The effectiveness rating of Community Job Coaches, including bonus payments.

Other significant Budget decisions

We consider the Budget decisions outlined below to be ‘significant’ as they are important to the delivery of the Government’s priorities, important to Parliament and the public, and material decisions for our department.

Given the size and number of MSD appropriations, we have used the following criteria to determine the scope of significant Budget decisions:

1. The initiative contains Budget funding of at least \$100 million over the forecast period, or \$25 million in any given financial year, in Vote Social Development or Vote Disability Support Services; and/or
2. The initiative is a significant government priority (such as a manifesto commitment).

Budget 2024

Disability Support Services

Budget 2024 funding for 2024/25: \$322.308 million

Budget 2024 total funding over forecast period: \$1,099.900 million

This initiative provided funding to Whaikaha – Ministry of Disabled People for the continued delivery of support to disabled people and their families. Responsibility for the funding was transferred to MSD on 1 December 2024 when DSS moved from Whaikaha. The funding is helping meet increases in volume and inflationary pressures on the delivery of disability support services. Since becoming responsible for the delivery of disability support services, MSD has improved forecasting and financial controls, which informed a cost pressure funding bid that was funded through Budget 2025.

The implementation of financial controls recommended in the independent review, along with allocations of funding carried forward from previous years, has contributed to an underspend across the Supporting Tāngata Whaikaha Māori and Disabled People Multi-Category Appropriation (MCA). Cabinet has agreed to transfer this underspend forwards to continue to support ongoing cost pressures. This will occur as part of the October Baseline Update.

See pages 105 to 111 for MSD’s performance information relating to this initiative.

Historical Claims of Abuse in Care

Budget 2024 funding for 2024/25: \$32.833 million

Budget 2024 total funding over forecast period: \$81.869 million

This initiative provided two-year funding to continue resolving claims of historic abuse for people in the care of Child, Youth and Family (or its predecessors), without requiring civil litigation.

In 2024/25:

- MSD continued to work with survivors to progress their claims, make redress payments, reimburse legal costs, and connect survivors to support services such as counselling.
- This year we settled the largest number of claims to date, and the time to process claims continues to improve compared to previous years.

- Cabinet approved additional funding of \$17.324 million during the year to increase MSD's processing capacity and maintain delivery momentum. Additional funding of \$38.089 million was then received as part of Budget 2025 in the 2024/25 financial year and appropriated to the newly established Redress for Abuse in Care MCA. This enabled the processing of an additional 90 claims assessments and the establishment of the top-up payments process, which went live in May 2025.

Total actual expenditure for the 2024/25 year was \$72.469 million in both departmental and Crown accounts. Cabinet agreed to transfer remaining unspent funding from the 2024/25 year to 2025/26 through the Budget 2025 process.

See pages 56 to 57 for MSD's performance information relating to this initiative.

Budget 2025

For these initiatives, performance information will be reported in future Annual Reports.

Ministry of Social Development – services for the future programme

Budget 2025 total funding over forecast period: \$67.590 million in 2025/26 (remainder of funding is held in contingency and figures withheld for commercial sensitivities)

This initiative funds the MSD's business transformation programme for 2025/26. The programme will change the way MSD operates, modernise its technology and business processes to support new and more efficient ways of working, and reduce costs and risk.

Addressing the Wrongs of the Past – Redress System Changes and Provision of Redress for Abuse in Care

Budget 2025 total funding over forecast period: \$384.632 million for Vote Social Development component of initiative

This cross-agency initiative provides funding to enable the Government's delivery of redress for abuse in state care following the Royal Commission of Inquiry into Abuse in Care. This includes a package of \$503.2 million across multiple agencies.

For MSD, this initiative will:

- increase the average redress payment for survivors of abuse in state care by around 50 percent from \$20,000 to \$30,000
- increase MSD's annual processing capacity
- allow survivors with a closed claim who have previously received payment for such abuse to access a top-up payment
- support the development and implementation of a common payment framework for the state redress system
- support a more consistent offer of support services to survivors.

Disability Support Services – Supporting Disabled People

Budget 2025 total funding over forecast period: \$760.000 million

This initiative provides funding to meet the continued delivery of support to disabled people and their families. The funding will help meet demand and inflationary pressures on the services that DSS delivers.

Disability Support Services – Adjustment to Residential Care Funding

Budget 2025 total funding over forecast period: \$240.000 million

This initiative increases funding to providers of residential care in community group homes, and to support service continuity for disabled people with specialist support needs living in aged residential care settings.

Further information on Budget 2025 initiatives can be found online in the Budget 2025 Summary of Initiatives: www.treasury.govt.nz/sites/default/files/2025-05/b25-sum-initiatives.pdf.

New Zealanders participate positively in society and reach their potential

Getting New Zealanders working

Measuring our performance

On pages 16 to 17, we outline our performance framework. This details which KPIs relate to this focus area.

See pages 18 to 25 for more information on how we are performing against our KPIs.

We are facing challenging economic circumstances, but are focused on getting and keeping New Zealanders working

It has been a tough year for the labour market due to the ongoing impacts of weak economic conditions. The financial year started with the unemployment rate at 4.7 percent in the June 2024 quarter and increased to 5.2 percent at the end of June 2025. The unemployment rate has been rising since December 2021 (where it was the lowest level on record at 3.2 percent) and is expected to remain high over 2025, which means an increasing number of people needing benefits.

Despite Jobseeker Support numbers being forecast to remain high throughout 2025, the number of people who exited Jobseeker Support into employment has increased this year (70,323 compared to 59,718 in 2023/24). Our performance around keeping people in work (people who did not access a main benefit in the six months after exiting a benefit) has also increased compared to last year.

MSD is engaging with more people, more often

We have engaged with more people, more often to work towards meeting the Jobseeker Support reduction Government Target. We have significantly increased our engagement with clients through employment-focused initiatives, including one-to-many seminars, job expos and one-to-one employment case management services. This has resulted in more job search activity, and we have seen increases in registrations of interest in jobs and referrals to jobs.

We have invested more into the employment supports that we know work, in line with our Employment Investment Framework for 2024/25. This included:

- expanding case management from a capacity of 60,000 to 70,000 people at any given time through the implementation of phone-based case management
- increasing Kōrero Mahi seminars, which saw a total attendance of approximately 70,000 people throughout the year
- implementing Community Coaching, which funded a further 2,100 places for youth job seekers to address barriers and support them into employment.

We have also been supporting people to prepare for work through our work-readiness programmes, so that when jobs become available, they are ready.

There is further investment coming through the Budget 2025 initiative, Employment Services – Investing in Frontline Staff and Employment Programmes, which was informed by evaluating the effectiveness of our programmes.

Other highlights from this year:

- We increased proactive appointment attendance this year by around 50 percent, with approximately 90,000 more appointments attended than last year.
- We strengthened our focus on supporting clients receiving a Jobseeker Support benefit through our programmes, which has resulted in an increase in Flexi-Wage and Mana in Mahi participants being Jobseeker Support recipients.
- Through our Driver Licence Support programme, participants achieved an 87 percent pass rate in obtaining a learner, restricted or full driver licence.
- We implemented Individual Employment plans for the 10,000 clients in phone-based case management and then expanded this to the full 70,000 clients in case management.
- The Pacific Work Connect Programme and Pacific Employment Action Plan Fund supported Pacific peoples to upskill, earn more, and achieve sustainable employment.
- We supported the development of a Māori business engagement strategy in the Nelson, Marlborough and West Coast region, which has seen increased connections with Māori-owned businesses in construction, roading and infrastructure.
- We implemented whānau-centred work-readiness programmes, designed specifically for Māori, which is focused on providing support such as resume production, digital literacy and financial capability in the Canterbury region.

The traffic light system was introduced, which clarifies responsibilities for those on a Jobseeker Support benefit

The first phase was introduced in August 2024 as a way for both staff and clients to understand a client's compliance with their obligations, and to support the Jobseeker Support reduction Government Target. The Social Security Amendment Bill, which amended the Social Security Act 2018, passed in May 2025. The Bill included expanding the traffic light system to include non-financial sanctions and mandatory Jobseeker profiles, which went live on 26 May 2025.

As at 30 June 2025, the vast majority of clients were meeting their obligations. Around 98 percent of clients are on track and meeting their obligations (green status), around 1 percent are not meeting their obligations and do not have a good reason (orange status), and around 1 percent are not meeting their obligations and could have their benefit reduced or stopped (red status). These proportions have remained largely consistent since the introduction of the traffic light system.

Case study – Employment

MSD partners with businesses across New Zealand to help them find the right people for their jobs. The free recruitment service we offer includes:

- searching for candidates
- shortlisting
- arranging interviews
- connecting businesses and candidates with information and services.

MSD is committed to supporting clients into work. In 2024/25, 16,973 job seekers were placed into employment through vacancies listed with MSD, an increase of 1,721 compared to 2023/24.

An example of a small regional business that we have supported through this service is Westport's Gibby's Café.

The cafe takes pride in having launched the working careers of scores of young job seekers with the support of MSD's recruitment service.

"I believe in investing in the younger generation for the future of our communities," says owner, Sue Gibson, whose efforts to train young locals has helped her cafe become a local icon.

"Some of our young people have then gone on to management and team leader roles with other organisations," says Sue. "It's very satisfying to know we've played a part in getting them on their way."

Sue has worked closely with MSD's Work and Income Work Brokers over her 14 years at the cafe to take on young job seekers, training them for qualifications in hospitality, cooking, baking and barista skills, and helping them on their way in life.

Since January 2025, Sue has had three young, former Work and Income clients graduate with certificates in Hospitality, Food and Beverage. A fourth young person will graduate in February next year. Both the business and former clients received continued support from Work and Income after starting in their new roles.

Since graduating, one client has moved into a management training role at a large retailer, another has gone back to study while working part-time at another cafe, and one continues to work at Gibby's Café mentoring others.

Sue knows firsthand that some youth struggle with low confidence and anxiety, so she focuses on building them up and instilling a solid work ethic in them.

"What we are offering to the staff we train is a dying art," says Sue. "We cook all our food on the premises from scratch – nothing is pre-made or sourced elsewhere. I like to think we are passing these skills on to the next generation before those skills are lost."

New Zealanders get the support they require

Providing the income support people need

Measuring our performance

On pages 16 to 17, we outline our performance framework. This details which KPIs relate to this focus area.

See pages 18 to 25 for more information on how we are performing against our KPIs.

Main benefit numbers are increasing

As at 30 June 2025, approximately 406,100 people were receiving a main benefit. This number has increased by 6.6 percent (around 25,200 people) since 30 June 2024, primarily due to challenging economic conditions. We are responding with policy and operational changes to support people back into work, which continues to be our priority (see 'Getting New Zealanders working' section on pages 37 to 39 for more detail).

Our work to improve accuracy and timeliness of income support entitlement assessments is focusing on the most complex areas

We monitor our performance in providing income support through timeliness and accuracy measures on our entitlement assessments. Our accuracy and timeliness in assessing most types of entitlements remain above our performance standards despite the demand we are experiencing on our income support services. We are working hard to improve the measures we are not currently meeting.

For working-age income support, our accuracy performance remains below standard but has improved since last year, and our timeliness measure is now slightly below standard. The accuracy of main benefit assessments, which account for the majority of payments we make to clients, although below standard is considerably higher than supplementary benefits at 86.1 percent for 2024/25.

For seniors income support, our accuracy and timeliness performance is below standard and has decreased since last year. Accuracy results are influenced by the high proportion of assessments relating to supplementary benefits and reviews of entitlements, which are the more complex types to process. The accuracy of our New Zealand Superannuation-related assessments remains higher than supplementary benefits, at 94.4 percent for 2024/25.

For Veteran's Pension entitlement assessments, our performance is now slightly below standard for accuracy, but we remain above standard for timeliness.

While we are showing progress in our working-age accuracy performance, we are not satisfied with our current levels of accuracy and timeliness across our income supports and are working to improve this for our clients.

MSD has an accuracy improvement plan in place to reduce processing variation and lift national accuracy. As part of this, priority sites introduced manual checking of all TAS supplementary benefit applications before being processed, as this is a high-impact area in terms of complexity for both working-age and seniors assessments.

We have improved our guidance and processing standards to remove the requirement to navigate between multiple systems when assessing client entitlement to TAS.

MSD is looking into ways to support the reductions in backlogs to increase our timeliness results for working-age and seniors assessments. For seniors assessments, where our timeliness performance needs the most improvement, we implemented a taskforce which focuses on processing the oldest work on hand to help reduce waiting times. Shifts in practice are being embedded to reduce the rework created.

Our planned improvements are ongoing, and we are expecting to see increases in our performance in 2025/26. Through Budget 2025, there are further supports coming to improve accuracy and timeliness, including enabling the use of Automated Decision Making and Inland Revenue income matching. Inland Revenue information on PAYE salary and wage income will be used by default by MSD from July 2028. This is in addition to the longer-term transformation programme improvements reducing the number of systems staff need to navigate.

Cost of living pressures are making it harder for clients to sustain debt repayments

The average amount of overpayment debt per client (current and former) for people who have overpayment debt with MSD has increased slightly since last year. MSD is aware of the impacts of overpayment debt on clients' wellbeing and continues working to stop new debt being created.

Where debt exists, MSD is engaging with clients to encourage and support manageable and sustainable repayment arrangements. This is supported by increasing staff capability around debt management conversations and improved self-service options for those who have exited the benefit system. This contributed to \$143 million in recoveries from non-current clients in 2024/25, an increase of approximately \$31 million from 2023/24.

Debt recovery continues to increase year on year, but the ability of those with overpayment debt to sustain repayments may also be adversely impacted by wider economic factors.

Supporting people with their housing needs

Measuring our performance

On pages 16 to 17, we outline our performance framework. This details which KPIs relate to this focus area.

See pages 18 to 25 for more information on how we are performing against our KPIs.

The Emergency Housing Government Target was met

The target was met in December 2024, with an 84 percent reduction from baseline at the end of June 2025. Our focus is on maintaining this reduction. As at December 2024, around 85 percent of households exiting emergency housing can be identified as going into either social housing (most of which was through Kāinga Ora), transitional housing, or private housing.

MSD's emergency housing support services received further investment through Budget 2024, including supporting people with Integrated Services Case Managers, Emergency Housing Navigation services, Housing Brokers and Ready to Rent courses.

The Priority One category ensures that families with dependent children in emergency housing for longer than 12 weeks move to the top of the social housing waitlist so we can get them into stable housing sooner. This priority category has resulted in 1,041 of these households, including 2,220 children, being housed since it came into effect in May 2024. Priority One has had a positive impact on Māori, with around 65 percent of those housed through this category being Māori households with children.

To support people into private accommodation, MSD offers HSPs, which provide financial assistance to clients needing help to obtain and retain housing. Through an evaluation published in May 2025, these were found to be highly successful at getting households into private accommodation.

The Emergency Housing Gateway changes introduced through Budget 2024 helped to ensure that emergency housing is made available to those in genuine need who are willing to meet their responsibilities. We are focused on ensuring frontline practice aligns with the policy intent.

There are fewer people on the Social Housing Register, including both the Housing Register and the Transfer Register

The number of people on these registers is coming down. MSD actively maintains the registers to ensure they remain accurate. This allows us to better understand the needs of those on the registers in order to support them effectively.

We also maintain effective working relationships with housing providers to ensure we make the best use of the supply of social housing that becomes available.

The average time taken to place clients on the Social Housing Register has improved from 25 days for the 2023/24 year to 17 days. MSD continues to focus on ensuring that clients in emergency housing have a housing assessment in a timely manner.

New Zealanders are resilient and live in inclusive and supportive communities

Partnering with others

Measuring our performance

On pages 16 to 17, we outline our performance framework. This details which KPIs relate to this focus area.

See pages 18 to 25 for more information on how we are performing against our KPIs.

We funded support for people experiencing family violence and sexual violence

MSD continues to fund support for people experiencing family violence and sexual violence, contributing toward the Reduced Violent Crime Government Target. Our KPI results show that providers are delivering a service that victims are satisfied with.

These services deliver whānau-centred care, working collaboratively with other stakeholders in the sexual violence sector. One of these services, the Child Advocates Programme, was evaluated this year and has demonstrated improved outcomes for the mothers and their children who access this service.

Through E Tū Whānau, a programme dedicated to addressing the impact of violence within whānau, hapū and iwi, we partnered with communities to develop and produce new qualitative and quantitative tools to effectively measure and assess change. These resources will be used to inform best practice in family violence prevention, and build whānau and community resilience and capability.

To ensure the services we fund are accessible to disabled people, we launched training for our service providers for victims and perpetrators of family violence and sexual violence and issued grants to 44 providers to make their services more accessible.

We redesigned the 'Our Culture, Our Pride: No Excuse for Abuse' ethnic family violence booklet and translated it into more languages to address community feedback to improve accessibility. The booklet is now available in 13 languages.

We also fund work on prevention, with a focus on collaborating with communities to ensure services work for them. This year, we funded a wide range of services and campaigns, including:

- Te Huringa o Te Ao – Supporting Men's Behaviour Change services – in which providers develop services that are responsive to their local communities and emphasise whānau voices to support men harming others to change
- Love Better campaign – focused on young people (16–24 years) and designed to foster safe, positive and equal relationships. The recent phase of the campaign, Love Creep, helps young people to recognise coercive control through real stories. The 'Third Culture Kids' social media campaign, with articles by ethnically diverse youth, was a success, with over 1.1 million engagements.

We invested in research and tools to support our work in this space, such as for the Prevention of Abuse of Older People, including a mixed-methods National Study and the development of screening and risk assessment tools.

Some of the work we fund also contributes toward the Reduced Child and Youth Offending Government Target, alongside the Reduced Violent Crime Government Target, such as administering the Resilience to Organised Crime in Communities (ROCC) Community Resilience and Whānau Support Fund. This work supported 75 community providers this year to deliver community-led responses to the harms and drivers of organised crime.

We support communities in many different ways

We continued to invest in the national and regional food distribution infrastructure that supports communities in acute and chronic food insecurity. In 2024/25, community food providers distributed 457,340 food parcels to people in need, and our regional food hubs distributed 8,633,804 kg of essential food supplies to vulnerable communities. Further investment has been made through Budget 2025, as well as continued funding for KickStart Breakfasts and KidsCan, which provide breakfasts in schools and distribute jackets to children to reduce cost of living pressures.

To support people to build their financial capability, we funded providers to connect more than 24,000 people with trained financial mentors this year. We also supported The Generator, which provides seed funding and mentoring to help people on low incomes kickstart their business ventures and improve their financial situations. This year, the 589 responses to the participant survey show that 94 percent of those who transitioned off a benefit now have a job or active business.

Pasefika Proud, funded by MSD, continues its commitment to keeping Pacific peoples safe, resilient and thriving, including through supporting the development and implementation of Pacific Community Plans which address their specific needs. This year, there was a focus on working with Tuvalu, Tokelau, Fiji and Kiribati communities to implement their plans.

To support seniors, MSD has helped with the upgrade of SuperGold cards, including developing both the functionality of the SuperGold website and a prototype information hub of essential resources and support on this website.

To support carers, this year we have been collaborating with government agencies and external stakeholders to develop a new Carers' Strategy Action Plan. This will lay out short and long-term actions and commitments that contribute to the health and wellbeing, financial security, and recognition and appreciation of carers.

We continue to support young people to lead

The Ministry of Youth Development within MSD encourages and supports young people to develop and use knowledge, skills and experiences to participate confidently in their communities. This year, we supported 147 providers to deliver youth development and youth enterprise programmes and services to more than 69,000 young people aged 12–24 years.

We led the planning, co-ordination and delivery of Youth Parliament 2025 with the support of the Office of the Clerk of the House of Representatives. Youth Parliament is a unique youth development opportunity, which this year supported 143 young people from across Aotearoa New Zealand to experience the political process, learn about how government works, and represent their communities as Youth Members of Parliament or participate as Youth Press Gallery members.

One of our highlights this year included delivering the biennial rangatahi Peaceful Action Leadership Movement (PALM) Symposium 2025 through E Tū Whānau in June, with more than 80 participants from across the country. This focused on:

- empowering and connecting rangatahi from diverse communities
- supporting leadership development, and cross-cultural and regional networks
- providing opportunities and information to support future vocational pathways.

Providing services that disabled people need

Measuring our performance

On pages 16 to 17, we outline our performance framework. This details which KPIs relate to this focus area.

See pages 18 to 25 for more information on how we are performing against our KPIs.

We transitioned the DSS function into MSD

In response to an independent review in 2024 that assessed the financial sustainability of DSS, the Government prioritised immediate action to stabilise the disability support system. In September 2024, DSS transferred from Whaikaha – Ministry of Disabled People into MSD as a branded business unit and a taskforce was set up to deliver the review’s recommendations for DSS.

Since then, we have made good progress by stabilising the DSS system and delivering against the recommendations in the Independent Review of Disability Support Services. We have put in place new financial controls and monitoring of services, including implementing Needs Assessment and Service Coordination (NASC) and Enabling Good Lives (EGL) site budgets, and a performance management framework to monitor NASC performance. This has seen a significant improvement in the financial management of these sites.

We have also established a Review Panel for specific high-cost residential and community support packages to ensure they are handled consistently, and strengthened how we commission and manage DSS contracts to improve how our services are delivered.

There is more work to do

While we have made good progress there is a lot more to do, and our forward focus is now on strengthening the system through our policy work. This includes focusing on the overall design of the system to ensure it is fair, transparent and consistent, and ensuring that we work effectively across government agencies so disabled people get the range of services they are entitled to.

We have a proactive stakeholder engagement approach, and have worked closely with the sector and key stakeholders to understand what is working well and where improvements can be made. A highlight in 2025 was the level of engagement we received through our community consultation, with over 3,300 responses provided through workshops across the country, online surveys, emails and written submissions. Our ongoing community engagement is core to the DSS approach and ensures that we are able to respond to issues and opportunities effectively.

Enabling MSD people to help New Zealanders

This focus area supports all three of our outcomes.

Measuring our performance

On pages 16 to 17, we outline our performance framework. This details which KPIs relate to this focus area.

See pages 18 to 25 for more information on how we are performing against our KPIs.

We made progress in the key workstreams of our transformation programme

Following Budget 2025 announcements, the programme is now fully funded, and has been shifted into full delivery mode.

Reflecting this shift, the programme's name changed to 'MSD – services for the future'. Te Pae Tawhiti – Our Future remains the name of MSD's strategic direction, and that is still guiding us to get to where we want to go. MSD – services for the future is how we will get there.

This programme will change the way we deliver services, technology and business processes to enable a sustainable welfare system for the future. This means we will be able to streamline our case management system, require fewer resources for transactional processing, reduce the overall risk of system failure, and be able to work better with partners by reducing red tape.

Progress is being made on the programme with the delivery of the first releases of Kotahitanga (partnering and commissioning improvements). Release 1 (November 2024) meant we transitioned over 800 active contracts from our heritage Funding and Contracting system (FAC) into our new contracting platform, Weka. Release 1.5 (May 2025) meant improvements to system integration, process automation and e-signature functionality.

We progressed with design work on how employment and commissioning services will work as a Future Service Model, and on an approach to safely transition to new IT systems without compromising our delivery of services.

Looking forward

Now that funding has been secured, we are focusing on delivering the first element of Digital Employment as we build on our work to date. This involves a client portal where they can view jobs that match their interests and skills and apply for jobs in their own time, an improved staff portal, meaning less time on admin and more time helping people, and a jobs matching engine.

Our work is also focused on the remaining delivery of Kotahitanga (migrating contracts from other heritage systems into Weka), and our work programme of change beyond these deliverables.

Assessing our performance

Te aromatawai i ā mātou mahi

Disclosure of judgements

Statement of compliance

The service performance information included in this section and the ‘Measuring our performance’ section has been prepared in accordance with Public Benefit Entity Financial Reporting Standard 48 (PBE FRS 48) and meets our requirements under the Public Finance Act 1989.

Our performance information reflects advice from Audit New Zealand, the Office of the Auditor General, the Treasury and best practice guidance.

Our approach to measuring performance

Our outcomes framework (see page 15) shows how we measure progress towards our strategic direction Te Pae Tawhiti – Our Future. It outlines how the changes to how we are delivering our services (through our strategic shifts) will impact on what we want to achieve (our outcomes). Our 10 impact statements unpack our outcomes into more specific medium-term goals, which collectively describe the impact we want to make. Our impact statements are measured using a suite of 16 Key Performance Indicators (KPIs).

Our performance framework (see pages 16 to 17) shows how we measure and report on our performance against our outcomes. We report on progress using Government Targets, KPIs and Estimates performance measures.

Selection of our KPIs

MSD’s KPIs cover timeliness, accuracy, client and partner experience, programme effectiveness and improved client outcomes. These aspects, together with equity and trust, are relevant to the outcomes we are trying to achieve and the interests of the public.

Performance against our 16 KPIs for 2024/25 is outlined on pages 18 to 25.

Alongside our new Strategic Intentions 2025–2029, we have updated our suite of KPIs from 1 July 2025. The majority of our KPIs remain the same, but two new KPIs have been added regarding client awareness of obligations and improved delivery of disability support services.

Selection of our Estimates performance measures

Our Estimates performance measures track delivery of the initiatives and services we are funded to provide against specific annual targets.

We review our Estimates performance measures, standards and reporting exemptions each year. We do this to make sure our measures continue to be relevant, reflect changes in our operating environment and the services we provide, and support the achievement of our outcomes.

We apply the principles-based requirements of the PBE FRS 48 to ensure our performance information and reporting is appropriate and meaningful to users. Key considerations include:

- maintaining consistency of reporting to support comparability over time
- reviewing standards based on service objectives and priorities, funding levels and historic performance
- aggregating results across similar services to improve understanding
- appropriate measurement for different stages of service development, and measuring improvement in clients' perspectives and outcomes, where appropriate.

Critical reporting judgements

Performance measures have been selected for our key activities. In selecting performance measures, we have made judgements to determine which aspects of performance are most relevant and material to measure and report.

Given the size, diversity and complexity of our functions and services, we have grouped our material judgements under the key areas of delivering our services, customer experience and policy advice.

Delivering our services

We provide a range of services, including employment, income support, housing assistance and disability support, to help New Zealanders get the support they require. The delivery of our services is measured using a mix of objective and subjective measures, including accuracy, timeliness, and effectiveness of services and programmes.

Employment outcomes

MSD supports people to prepare for, find and stay in work. Therefore, our measures have been selected to monitor both the immediate (benefit exits into work) and longer-term effectiveness (staying in work) of our employment interventions.

We measure longer-term employment outcomes through the percentage of clients who remain off a main benefit for six months after receiving employment services and moving into work. The six-month period was selected as it balances monitoring of longer-term employment while allowing for timely reporting following MSD's intervention.

Accurate and timely completion of benefit assessments

The main support MSD provides clients is through financial support and benefits that clients are eligible for. We have set measures for both the accuracy and timeliness of our benefit entitlement processing (elements MSD can control) and end-to-end timeliness to receive financial benefit (includes elements that are outside MSD's control) to monitor how well we are delivering these services.

We measure our accuracy and timeliness of benefit entitlement assessments through regular representative sampling of completed benefit entitlement applications and reviews to check that they have been processed correctly. For these measures, we use a randomised proportional sampling approach. The sample sizes are statistically representative and reflect the breakdown of work processed at the frontline.

Due to the complexity of benefit entitlement assessments, the 95 percent accuracy and five working day processing standards (for most benefit entitlements) are challenging targets, but reflect our focus on lifting performance and getting it right for our clients.

Debt recovery

MSD is committed to providing assurance that those who receive payments are eligible for them. MSD's approach is to intervene early when concerns are raised, make it easy for clients to inform MSD of any changes in their circumstances, and work with clients to arrange sustainable repayments (based on their situation).

The 60-day period for debt arrangements that remain in place is expected to provide a reasonable assessment of whether the repayment arrangement is sustainable based on the person's individual situation. Debt repayment can take a long time and impacts on clients' wellbeing. Sustainability of repayments is a key factor in successful debt recovery.

Housing assistance

MSD helps people with their housing costs, assesses their housing needs for the Social Housing Register and supports them out of emergency housing. Stable housing has been associated with positive outcomes, including improved physical and mental health, and lower crime rates and welfare dependency. Therefore, our measures monitor the time it takes for a person to be placed on the Public Housing Register and the effectiveness of Housing Support Products (HSPs).

HSPs provide financial assistance to vulnerable households to help them obtain or maintain a tenancy. The 90-day period, from receiving an HSP, allows us to assess how effective it has been at helping people into more sustainable housing.

Disability support services

We acknowledge that the performance information within the Supporting Tāngata Whaikaha Māori and Disabled People Multi-Category Appropriation (MCA) requires improvement.

To be able to implement meaningful changes to performance measurement, the disability support system first needs to be stabilised by implementing the recommendations outlined in the June 2024 Independent Review of Disability Support Services and undertaking the capability uplift work programme in response to the May 2024 Rapid Assurance Review report.

Work to refresh the Disability Support Services (DSS) performance information will form part of the DSS strengthening work programme. Performance information will be regularly reviewed as part of MSD's review processes to ensure it is appropriate and complies with technical guidance.

Customer experience

Customer experience surveys provide important insights into clients' and providers' experiences. They provide valuable qualitative information to supplement other quantitative measures and data.

MSD's Heartbeat survey

The Heartbeat client experience survey provides MSD with real-time feedback on the experiences our clients have with us. The survey is provided to clients immediately following their engagement with MSD and is the source of data for our client trust and experience KPIs. The survey was designed in-house and the questions are regularly reviewed for appropriateness. In 2024/25, over 1.15 million clients received an invite to participate in the survey with an 8 percent response rate. This compares to 931,000 clients receiving an invite to participate in the survey in 2023/24 with a 10 percent response rate.

MSD surveys of stakeholders and clients

In addition to the Heartbeat survey, we also survey clients for their feedback on progress towards outcomes and experience with specific services we provide. We also survey our stakeholders to provide insights into their satisfaction with our work and their experience working with us.

Provider surveys of clients

MSD works with providers to deliver services that improve outcomes for our clients and communities. Providers monitor the provision of these services and report to MSD monthly, quarterly or annually, depending upon the nature of the service and contract arrangements. Provider surveys are a source of client experience information and provide insights into client satisfaction and progress towards outcomes. These surveys are typically jointly designed by providers and MSD and are reviewed regularly.

Policy advice

As part of assessing the performance of the policy advice and ministerial services provided, MSD surveys:

- the Minister for Social Development and Employment (for advice received from MSD's policy business group and for the Regional Public Service Commissioners' leadership and co-ordination across the public service)
- the Minister for Child Poverty Reduction (for advice received from MSD's policy business group)
- the Minister for Seniors (for advice received from the Office for Seniors).

The policy satisfaction surveys contain a common set of questions to assess the Minister's satisfaction with the services provided by the policy advice function. This is a standard survey used across departments that provide policy advice, in line with the Department of the Prime Minister and Cabinet's (DPMC) Policy Quality Framework. Other services are assessed with unique questionnaires tailored to the function being reviewed.

MSD also commissions an annual assessment of MSD's policy advice from the New Zealand Institute of Economic Research (NZIER). This technical review draws on experienced independent reviewers using common standards of what good quality policy advice looks like, in line with DPMC's Policy Quality Framework.

Additional information

MSD includes commentary, disclosures, notes and additional information to support the reader in understanding our performance. We have applied the following criteria to help ensure relevant and useful information is included:

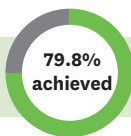
- Commentary is provided for all KPIs and for Estimates performance measures which did not meet the standard or exceeded the standard by more than 10 percent (our threshold for significance).
- Disclosures outline significant changes to measures, standards or methodology from 2023/24. They also identify where a correction to a previously reported result has been made. Disclosures follow the relevant tables.
- Notes are used to provide additional information and explanations to support the reader to understand our measures. These follow the relevant tables.

- Contextual tables provide information on volumes and scale to help the reader better understand our performance. Prior year information is provided, where available, for comparison.
- Appropriations that are exempt from reporting requirements under the Public Finance Act 1989 have not been included in this report, unless they are contained in an MCA.

Our Estimates performance measures

This section reports on our performance against our Estimates performance measures and standards, as outlined in the Vote Social Development Estimates of Appropriations and amended by the Vote Social Development Supplementary Estimates of Appropriations for the 2024/25 financial year. These documents are available on the Treasury website.

Summary of our performance



Achieved 75 out of 94 performance measures

In 2024/25, we met or exceeded 75 of our 94 Estimates performance measures (79.8 percent) (Note 1).

This compares with 77 out of 95 (81.1 percent) in 2023/24 (including results for the DSS measures that were previously reported by Whaikaha).

The 2024/25 actual results in this section have been audited. Actuals for 2023/24 have been included, where available, for comparison.

The ‘Expenditure Appropriated, Reconciled to Operating Expenses’ table on page 168 of the financial statements provides a reconciliation between the expenses outlined in that section and the total goods and services costs reported throughout this section.

Status indicators

Met or exceeded standard	✓
Did not meet the standard	✗
Not available/not assessed	N/A

Note 1: This count does not include the three Estimates performance measures in the Redress for Abuse in Care MCA on pages 102 to 104. These measures are a replication of the Estimates performance measures reported for the Historic Claims Multi-Year Appropriation on pages 56 to 57.

Output expense: Administration of Service Cards

Appropriation Minister: Minister for Social Development and Employment

Scope of appropriation: This appropriation is limited to assessing entitlement for and issuing the Community Services Card, SuperGold Card and Veteran SuperGold Card, and providing information about the Community Service Card.

What is intended to be achieved with this appropriation: This appropriation is intended to achieve financial assistance to low-income New Zealanders and older people by the accurate and timely assessment and issuing of discount service cards.

100%
achieved

Achieved 2 out of 2 performance measures

Performance information

2023/24 Actual	Measure	2024/25		
		Standard	Actual	Status
97.6%	The percentage of card entitlement assessments completed accurately will be no less than (Note 1)	95%	97.5%	✓
98.1%	The percentage of card entitlement assessments completed within five working days will be no less than (Note 2)	90%	97%	✓

Note 1: Accuracy measures the percentage of all client assessments that are processed correctly.

Note 2: The timeframe is calculated from the day all information required to complete an assessment is received to the day the client is advised of the outcome.

The following information is provided for context:

	2023/24	2024/25
Number of card entitlement assessments sampled	1,510	1,510

Financial information

2023/24	Financial performance		2024/25		
Actual	(Figures are GST exclusive)		Budgeted	Revised	Actual
\$000			\$000	\$000	\$000
	Revenue				
7,962	Crown		8,025	8,025	8,025
-	Department		-	-	-
-	Other		-	-	-
7,962	Total Revenue		8,025	8,025	8,025
7,259	Total Expense		8,025	8,025	7,951
703	Net Surplus/(Deficit)		-	-	74

Output expense: Data, Analytics and Evidence Services

Appropriation Minister: Minister for Social Development and Employment

Scope of appropriation: This appropriation is limited to providing data, analytics and evidence services to better inform government decision-making.

What is intended to be achieved with this appropriation: This appropriation is intended to improve the design and delivery of policy and services through more effective use of data and analytics. This includes public reporting of research, evaluation and performance information and data.



Achieved 3 out of 3 performance measures

Performance information

2023/24 Actual	Measure	2024/25		
		Standard	Actual	Status
94.3%	The percentage of products produced by MSD that support more effective use of data and analytics will be no less than (Disclosure 1 and Note 1)	90%	96.1%	✓
91.9%	The percentage of stakeholders surveyed that responded that they ‘agree’ or ‘strongly agree’ that the product(s) they received enabled them to make better decisions will be no less than (Note 2)	80%	96.1%	✓
The standard was significantly exceeded. We refined our approach to stakeholder surveys in February 2025. We have expanded our reach, engaged a broader audience, and gained a clearer picture of who we’ve delivered work to. This has strengthened our ability to identify the right people to engage with and deepened our understanding of our stakeholders’ needs.				
0.61%	Average forecast variances for Vote Social Development Benefits or Related Expenses (BoREs) in the 12 months to June are within the range of (Note 3)	+/-2%	0.40%	✓

Disclosure 1: The Quality Framework was refreshed in 2024 and the measure wording and methodology were updated to reflect this.

Note 1: The result is from a sample of data and insights products produced (including reports, briefings, analysis, advice, tools, curated data and responses to Official Information Act requests/parliamentary questions/media), which are assessed against the Quality Framework.

Note 2: Internal stakeholders are surveyed every quarter using pulse-check survey results, one-to-one conversations or retrospectives. The recipients of the survey are the end users of a cross-section of data and insights products.

Note 3: BoREs are a type of appropriation that cover transfers of resource from the Crown, usually to individuals, where nothing is expected directly in return (for example, Student Allowances). The standard is the average variance between forecast and actual monthly spend.

The following information is provided for context:

	2023/24	2024/25
Sample		
Number of products and services sampled (Note 1)	1,897	246
Survey		
Number of stakeholders surveyed (Note 2)	564	118
Survey response rate	29.6%	9.3%
Publications		
Key publication documents on MSD's external website (Note 3)	95	82

Note 1: As a result of refreshing our Quality Framework we have changed to proportional sampling. This means we are assessing fewer products and services, but the assessments are more in depth.

Note 2: Following the refresh of our Quality Framework, we also refined our criteria for survey sampling from surveying for every piece of work delivered, which was unsustainable due to volumes, to only surveying work that goes through the Quality Framework assessment. These pieces of work are selected randomly and cover a range of work types and, while it is a smaller sample size, it is a more appropriately balanced sample and avoids survey fatigue.

Note 3: The count is limited to key publications funded by this appropriation and found within the Statistics, Research and Evaluation Reports pages located within the Publications and Resources content on the MSD website. This consists of:

- government statistics
- reports about the benefit system or labour market
- reports about research
- reports that evaluate the effectiveness of our services.

Financial information

2023/24	Financial performance	2024/25		
Actual	(Figures are GST exclusive)	Budgeted	Revised	Actual
\$000		\$000	\$000	\$000
	Revenue			
48,530	Crown	39,779	39,793	39,793
-	- Department	-	-	-
-	- Other	-	-	-
48,530	Total Revenue	39,779	39,793	39,793
40,032	Total Expense	39,779	39,793	35,753
8,498	Net Surplus/(Deficit)	-	-	4,040

Output expense: Enhancement and Promotion of SuperGold Cards

Appropriation Minister: Minister for Seniors

Scope of appropriation: This appropriation is limited to promoting, enhancing and delivering information about the SuperGold and Veteran SuperGold cards, and enlisting businesses to provide discounts to SuperGold cardholders.

What is intended to be achieved with this appropriation: This appropriation is intended to recognise the valued contribution of older New Zealanders by providing easy access to discounted products and services, and information about the use of the cards.



Achieved 1 out of 1 performance measure

Performance information

2023/24 Actual	Measure	2024/25		
		Standard	Actual	Status
487	The number of new businesses joining the SuperGold Card programme will be no less than (Note 1)	375	534	✓

The standard was significantly exceeded. This was due to the success of our SuperGold business recruitment campaign in October/November 2024, which resulted in over 170 new business sign ups. This, combined with supplementary recruitment activity throughout the year, ensured the standard was exceeded.

Note 1: The SuperGold card is a discount and concessions card, available for free to New Zealanders who are aged 65 years or over, as well as people who otherwise meet the eligibility criteria in regulation 287 of the Social Security Regulations 2018.

The following information is provided for context:

	2023/24	2024/25
Providers offering concessions/discounts on SuperGold Cards (at 30 June) (Note 1)	5,957	5,745
Number of operating business outlets (at 30 June)	10,361	10,718

Note 1: Although new businesses join the SuperGold programme annually, there are also businesses that leave/are removed from the programme, mainly because the business has closed.

Financial information

2023/24	Financial performance		2024/25		
Actual	(Figures are GST exclusive)		Budgeted	Revised	Actual
\$000			\$000	\$000	\$000
	Revenue				
1,723	Crown		1,729	1,729	1,729
-	Department		-	-	-
-	Other		-	-	-
1,723	Total Revenue		1,729	1,729	1,729
1,398	Total Expense		1,729	1,729	1,728
325	Net Surplus/(Deficit)		-	-	1

Output expense: Historic Claims

Appropriation Minister: Minister for Social Development and Employment

This multi-year appropriation commenced on 1 July 2024, replacing the former Historic Claims Resolution multi-year appropriation, and was due to expire on 30 June 2027. The measures outlined below are in line with the measures in the previous Historic Claims Resolution multi-year appropriation.

The performance measures apply to this Historic Claims multi-year appropriation, as well as the Redress for Abuse in Care MCA (see pages 102 to 104), as both appropriations were in use in 2024/25. From 1 July 2025, only the Redress for Abuse in Care MCA is in use and the performance measures will be reported under that appropriation.

Scope of appropriation: This appropriation is limited to resolving claims of people who report experiencing abuse or neglect prior to 1 April 2017 while in the care, custody, guardianship, or came to the notice, of the State, including assisting and responding to reviews and inquiries of the historic child welfare system and the redress and rehabilitation process.

What is intended to be achieved with this appropriation: This appropriation is intended to provide a redress process to people who believe they were harmed while in the care, custody, guardianship or oversight of the State, as well as responding to the Royal Commission of Inquiry on the redress and rehabilitation processes and the historic child welfare system.



Achieved 3 out of 3 performance measures

Performance information

2023/24 Actual	Measure	2024/25		
		Standard	Actual	Status
1,031	The number of assessments completed during the year will be no less than (Disclosure 1)	1,090	1,129	✓
97.8%	The percentage of claimants who receive a settlement offer within 3 months following their decision to choose a rapid payment will be no less than (Note 1)	95%	97.4%	✓
77.5%	The percentage of claimants who report that they agree or strongly agree that they felt respected in their interaction with Historic Claims, and that their options were clearly communicated to them, will be no less than (Note 2)	80%	89.9%	✓

The standard was significantly exceeded. In 2023/24, we received feedback from claimants that the intention of the survey statements was not clear and they were being interpreted differently to what was intended. In response to this we amended the survey instructions to provide clearer information about the survey and its purpose. The improved results show that these improvements have been effective, and claimants’ responses suggest that they understand the survey’s purpose.

Disclosure 1: The standard was increased from 1,000 to reflect time-limited funding received.

Note 1: In October 2022, Joint Ministers agreed to a high-level Crown framework to give claimants a rapid payment option, as opposed to an individualised assessment, to enable more timely resolution of claims.

Note 2: The survey focuses on the engagement claimants have with staff about their assessment options (such as whether to choose a rapid payment or individualised assessment). The measure result is the percentage of total survey respondents that ‘agree’ or ‘strongly agree’ that they felt respected in their interaction with Historic Claims, and they also ‘agree’, ‘strongly agree’, or ‘neither agree nor disagree’ that their options were clearly communicated to them.

The following information is provided for context:

	2023/24	2024/25
Claims		
Claims received	897	1,741
Claims closed (Note 1)	925	1,035
Claims in process (at 30 June)	3,078	3,764

Note 1: This refers to the number of claims that have been closed (for example, settled), whereas the measure regarding the number of assessments completed refers to the initial assessments of claims by MSD.

Financial information

2023/24	Financial performance	2024/25		
Actual	(Figures are GST exclusive)	Budgeted	Revised	Actual
\$000		\$000	\$000	\$000
	Revenue			
-	Crown	32,833	66,901	37,302
-	Total Revenue	32,833	66,901	37,302
-	Total Expense	32,833	66,901	37,302
-	Net Surplus/(Deficit)	-	-	-

Output expense: Income Support and Assistance to Seniors

Appropriation Minister: Minister for Social Development and Employment

Scope of appropriation: This appropriation is limited to processing and administering New Zealand Superannuation payments, social security entitlements and international social security agreements to older persons, providing advice to older persons, and assessing financial entitlement to residential subsidies.

What is intended to be achieved with this appropriation: This appropriation is intended to achieve the accurate and timely assessment and payment of entitlements to older people.



Achieved 0 out of 2 performance measures

Performance information

2023/24 Actual	Measure	2024/25		
		Standard	Actual	Status
92.7%	The percentage of entitlement assessments for payment of entitlements to older people completed accurately will be no less than (Notes 1 and 2)	95%	89.6%	✗
92.3%	The percentage of entitlement assessments for payment of entitlements to older people finalised within standard timeframes will be no less than (Notes 1 and 3)	90%	81.9%	✗

The standards for both measures were not met. New Zealand’s population continues to age, which is leading to a rising number of people accessing our support. High assessment volumes, and increasing complexity of client needs and staff capability, has contributed to a decrease in accuracy and timeliness compared to 2023/24.

Our accuracy results are also influenced by the high proportion of assessments relating to supplementary benefits and reviews of entitlements, which are the more complex types to process. The accuracy of our New Zealand Superannuation-related assessments remains higher than supplementary benefits, at 94.4 percent for 2024/25.

We are focused on improving our performance. Throughout 2024/25 we:

- added a new checking framework to identify trends and provide support for staff and managers assessing entitlements
- implemented a new seniors knowledge base to support assessment consistency and address any capability gaps
- implemented a taskforce to focus on processing the oldest work on hand to help reduce waiting times.

We expect to see improvements in our performance in 2025/26.

Note 1: Entitlements to older people refer to applications for New Zealand Superannuation, and applications for supplementary benefits that MSD offers (such as Disability Allowance and Accommodation Supplement) for recipients of New Zealand Superannuation.

Note 2: Accuracy measures the percentage of client assessments that are processed correctly.

Note 3: Standard timeframes are:

- six working days for domestic clients from the date the last piece of information is received to enable a decision to be made
- 20 working days for overseas-based clients and Residential Care Services clients from the date the first piece of information is received.

The following information is provided for context:

	2023/24	2024/25
Number of New Zealand Superannuation applications and reviews sampled	3,983	4,003
Total number of New Zealand Superannuation applications processed	68,004	68,562
Number of people receiving New Zealand Superannuation (at 30 June)	912,420	941,511

Financial information

2023/24	Financial performance	2024/25		
Actual	(Figures are GST exclusive)	Budgeted	Revised	Actual
\$000		\$000	\$000	\$000
	Revenue			
61,890	Crown	67,735	56,735	56,735
-	Department	-	-	-
-	Other	-	-	-
61,890	Total Revenue	67,735	56,735	56,735
60,636	Total Expense	67,735	56,735	56,574
1,254	Net Surplus/(Deficit)	-	-	161

Output expense: Investigating and Responding to Alleged Social Work Offending

Appropriation Minister: Minister for Social Development and Employment

Scope of appropriation: This appropriation is limited to services to investigate and respond to alleged offending under the Social Workers Registration Act 2003.

What is intended to be achieved with this appropriation: This appropriation is intended to achieve protection for the public from harm caused by people practising as a social worker who may not be qualified or competent to practice as one.



Achieved 1 out of 1 performance measure

Te Kāhui Kāhu (formerly Social Services Accreditation) is responsible for responding to notifications about unauthorised persons practising/presenting themselves as social workers. The Social Workers Registration Board is responsible for social worker registration and responding to complaints about authorised social workers.

Performance information

2023/24 Actual	Measure	2024/25		
		Standard	Actual	Status
83.3%	The percentage of stakeholders surveyed who rate the action taken by MSD to prevent people practising as social workers, who are not registered, as effective will be no less than (Note 1)	75%	84.4%	

The standard was significantly exceeded, reflecting the strong systems and support underpinning this service.
At the end of 2024/25, this function was transferred to the Social Workers Registration Board.

Note 1: Stakeholders may include Ministers, the Social Workers Registration Board, the Aotearoa New Zealand Association of Social Workers, educators, employers and those who alleged that offending occurred.

The following information is provided for context:

	2023/24	2024/25
Survey		
Number of stakeholders surveyed	19	36
Survey response rate	42%	28%

Financial information

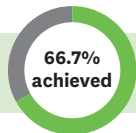
2023/24	Financial performance (Figures are GST exclusive)	2024/25		
		Budgeted	Revised	Actual
		\$000	\$000	\$000
	Revenue			
247	Crown	100	235	235
-	Department	-	-	-
-	Other	-	-	-
247	Total Revenue	100	235	235
112	Total Expense	100	235	120
135	Net Surplus/(Deficit)	-	-	115

Output expense: Investigation of Overpayments and Fraudulent Payments and Collection of Overpayments

Appropriation Minister: Minister for Social Development and Employment

Scope of appropriation: This appropriation is limited to services to minimise errors, fraud and abuse of the benefit system and Income Related Rent, and services to manage the collection of overpayments, recoverable assistance loans and other balances owed by former clients.

What is intended to be achieved with this appropriation: This appropriation is intended to achieve a welfare system that operates with fairness and integrity by ensuring that the right people receive the right entitlements and assistance, and identifies and resolves overpayments.



Achieved 2 out of 3 performance measures

Performance information

2023/24 Actual	Measure	2024/25		
		Standard	Actual	Status
86.7%	The percentage of cases of suspected fraud which are resolved through non-investigative intervention will be no less than (Note 1)	60%	86.1%	✓
The standard was significantly exceeded. We have continued to improve our understanding of our external fraud risk, which has enabled us to resolve a higher proportion of cases through non-investigative responses and prioritise more complex and higher-risk fraud cases for investigation.				
60.2%	The percentage of fraud cases responded to through an investigations process that result in an entitlement change will be no less than (Notes 1 and 2)	55%	61%	✓
The standard was significantly exceeded. Our performance remains consistent with last year and reflects our prioritisation of complex and higher-risk cases for investigation.				
61.2%	The percentage of debt arrangements with non-current clients that remain in place for at least 60 days will be no less than (Note 3)	66%	64.5%	✗
The standard was nearly met. This is likely due to wider economic factors which can impact the ability of non-current clients to service their debt to MSD.				
In 2024/25, we have focused on improving performance by using ‘nudge’ messaging to maintain engagement when a debtor misses a regular payment, and by supporting staff to have effective debt repayment conversations with current clients.				
We continue to recover outstanding debt to MSD. In 2024/25, we recovered \$143 million from clients after they exited a benefit, an increase from nearly \$112 million in 2023/24.				

Note 1: MSD has a three-tier approach to responding to fraud allegations. MSD’s overall approach is to intervene early when concerns are raised, to make it easy for clients to do the right thing and avoid unnecessary overpayments and debt while still responding appropriately to serious fraud.

The first two tiers are non-investigative and are comprised of:

- early intervention – engaging with clients early to discuss any integrity issues raised, confirm obligations, and adjust entitlements, where appropriate
- facilitation – working more intensively with a client to assess their situation against their entitlements and adjust these, where necessary. This could mean an overpayment debt for a client in some situations.

The third tier is:

- investigation – gathering information and acting on serious client integrity issues, which could result in an overpayment and, in the most serious cases, prosecution. Prosecutions are considered in line with MSD’s Prosecution Policy and the Solicitor General’s Prosecution Guidelines, taking into account the full circumstances of each individual case.

Note 2: The performance standard relates to the number of people who are subject to an investigation by specialist fraud staff (for example, one investigation can involve multiple people).

Note 3: Non-current clients are people who no longer receive financial assistance from Work and Income but still have a debt to repay. MSD works with non-current clients to arrange a rate of repayment that is sustainable based on their income levels and situation after they exit the benefit.

The following information is provided for context:

	2023/24	2024/25
Integrity intervention cases completed	222,909	276,963
Cases completed by Client Service Integrity	5,750	6,298
Non-current debtors (at 30 June)	242,198	244,897
Completed prosecutions (excludes wage subsidy)	36	45

Financial information

2023/24	Financial performance	2024/25		
Actual	(Figures are GST exclusive)	Budgeted	Revised	Actual
\$000		\$000	\$000	\$000
Revenue				
58,618	Crown	63,767	63,767	63,767
-	- Department	-	-	-
-	- Other	-	-	-
58,618	Total Revenue	63,767	63,767	63,767
57,506	Total Expense	63,767	63,767	63,647
1,112	Net Surplus/(Deficit)	-	-	120

Output expense: Management of Student Loans

Appropriation Minister: Minister of Revenue

Scope of appropriation: This appropriation is limited to assessing, administering, processing and reviewing entitlements for Student Loan payments and providing guidance to students making financial and study decisions.

What is intended to be achieved with this appropriation: This appropriation is intended to achieve reduced financial barriers to tertiary study by providing accurate and timely assessment and payment of student loans.

100%
achieved

Achieved 2 out of 2 performance measures

Performance information

2023/24 Actual	Measure	2024/25		
		Standard	Actual	Status
100%	The percentage of entitlement assessments for a student loan completed accurately will be no less than (Note 1)	95%	100%	✓
100%	The percentage of initial entitlement assessments for a student loan completed within five working days will be no less than (Note 2)	95%	97.6%	✓

Note 1: This refers to the final assessment, when all information required to assess has been received, which advises the student of the outcome of their application. Accuracy measures the percentage of client assessments that are processed correctly.

Note 2: The initial entitlement assessment is the first assessment to occur on the application – it does not include any subsequent action required, such as where the application is incomplete and further information is received. Timeliness is counted from the date the application is received to the date the application is first assessed.

The following information is provided for context:

	2023/24	2024/25
Number of Student Loan assessments sampled	689	676
Student Loan applications processed	161,076	181,909

Financial information

2023/24	Financial performance	2024/25		
Actual	(Figures are GST exclusive)	Budgeted	Revised	Actual
\$000		\$000	\$000	\$000
	Revenue			
24,730	Crown	25,960	30,001	30,001
-	Department	-	-	-
-	Other	-	-	-
24,730	Total Revenue	25,960	30,001	30,001
23,934	Total Expense	25,960	30,001	29,794
796	Net Surplus/(Deficit)	-	-	207

Output expense: Management of Student Support

Appropriation Minister: Minister for Social Development and Employment

Scope of appropriation: This appropriation is limited to managing non-recoverable financial support to students, involving assessing, administering and processing Student Allowance payments and other income support to eligible secondary and tertiary students.

What is intended to be achieved with this appropriation: This appropriation is intended to achieve reduced financial barriers to tertiary study by providing accurate and timely assessment and payment of non-recoverable financial support for students.



Achieved 2 out of 2 performance measures

Performance information

2023/24 Actual	Measure	2024/25		
		Standard	Actual	Status
98.4%	The percentage of entitlement assessments for a student allowance completed accurately will be no less than (Note 1)	95%	97.9%	✓
99.6%	The percentage of initial entitlement assessments for a student allowance completed within five working days will be no less than (Note 2)	95%	97.2%	✓

Note 1: This refers to the final assessment, when all information required to assess has been received, which advises the student of the outcome of their application. Accuracy measures the percentage of client assessments that are processed correctly.

Note 2: The initial entitlement assessment is the first assessment to occur on the application – it does not include any subsequent action required, such as where the application is incomplete and further information is required. Timeliness is counted from the date the application is received to the date the application is first assessed.

The following information is provided for context:

	2023/24	2024/25
Number of Student Allowance assessments sampled	689	676
Student Allowance applications processed	81,493	89,611

Financial information

2023/24	Financial performance	2024/25		
Actual	(Figures are GST exclusive)	Budgeted	Revised	Actual
\$000		\$000	\$000	\$000
	Revenue			
24,753	Crown	24,815	29,815	29,815
-	Department	-	-	-
-	Other	-	-	-
24,753	Total Revenue	24,815	29,815	29,815
23,939	Total Expense	24,815	29,815	29,649
814	Net Surplus/(Deficit)	-	-	166

Output expense: Planning, Correspondence and Monitoring

Appropriation Minister: Minister for Social Development and Employment

Scope of appropriation: This appropriation is limited to providing planning, reporting and monitoring advice (other than policy decision-making advice) on Crown entities, statutory appointment advice on Crown entities and statutory tribunals, and correspondence services to support Ministers to discharge their portfolio responsibilities.

What is intended to be achieved with this appropriation: This appropriation is intended to achieve effective and efficient ministerial, advisory and administrative services to support Ministers to discharge their portfolio responsibilities.



Achieved 2 out of 2 performance measures

Performance information

2023/24 Actual	Measure	2024/25		
		Standard	Actual	Status
100%	Crown Entity Monitoring The percentage of reports provided to responsible Ministers within agreed timeframes in relation to either the accountability of Crown entities or appointments to Crown entities and/or statutory tribunals will be no less than	95%	100%	✓
99.7%	Ministerial and Executive Services The percentage of draft written parliamentary questions, ministerial correspondence, and Official Information Act replies provided to Ministers that meet the agreed quality and timeliness standards will be no less than (Note 1)	95%	97.3%	✓

Note 1: The quality standard is that the report provided for the Minister’s signature is factually accurate, meets all legislative requirements and contains no avoidable errors. Agreed timeframes are:

- ministerial correspondence replies completed within 20 working days of receipt by MSD, unless otherwise agreed with the Minister’s office
- responses to written parliamentary questions provided to the Minister’s office so that answers can meet the timeframe set in Parliamentary Standing Orders
- replies to ministerial Official Information Act requests completed five days prior to the statutory time limit, unless otherwise agreed with the Minister’s office.

The following information is provided for context:

	2023/24	2024/25
Crown Entity Monitoring		
Crown entities monitored	3	3
Number of Crown entities-related reports provided	52	39
Ministerial and Executive Services		
Ministerial correspondence replies drafted	361	468
Written parliamentary questions replies drafted	1,210	1,520
Official Information Act replies drafted	36	158
Information requests from Ministers' offices completed	1,460	1,183
On behalf of MSD's Chief Executive		
Official Information Act request replies	1,208	1,483
Letters (including electronic)	1,311	665

Financial information

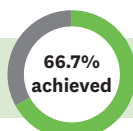
2023/24	Financial performance	2024/25		
		Budgeted	Revised	Actual
Actual	(Figures are GST exclusive)			
\$000		\$000	\$000	\$000
	Revenue			
4,089	Crown	6,375	7,775	7,775
-	- Department	-	-	-
-	- Other	-	-	-
4,089	Total Revenue	6,375	7,775	7,775
3,960	Total Expense	6,375	7,775	7,522
129	Net Surplus/(Deficit)	-	-	253

Output expense: Policy Advice

Appropriation Minister: Minister for Social Development and Employment

Scope of appropriation: This appropriation is limited to providing advice (including second opinion advice and contributions to policy advice led by other agencies) to support decision-making by Ministers on government social policy and related matters, including social sector issues.

What is intended to be achieved with this appropriation: This appropriation is intended to achieve high-quality policy advice to support decision-making.



Achieved 4 out of 6 performance measures

Performance information

2023/24 Actual	Measure	2024/25		
		Standard	Actual	Status
4.54	The score for the Minister for Social Development and Employment's satisfaction with the services provided by the policy function, based on the common Ministerial Policy Satisfaction Survey and on a five-point scale, will be no less than	4	4.9	✓
4.9	The score for the Minister for Child Poverty Reduction's satisfaction with the services provided by the policy function, based on the common Ministerial Policy Satisfaction Survey and on a five-point scale, will be no less than	4	4.9	✓
This explanation relates to the two ministerial satisfaction survey measures above. The standard was significantly exceeded for both measures. This reflects the quality of services provided by MSD's policy function.				
3.63	In relation to the quality of policy advice, the average score for policy papers assessed using the common Policy Quality Framework, on a five-point scale, will be at least (Note 1)	3.5	3.46	✗
In relation to the quality of policy advice, the distribution of scores for policy papers assessed using the common Policy Quality Framework:				
42%	• Score 4 or higher will be no less than	55%	29%	✗
100%	• Score 3 or higher will be no less than	90%	98%	✓
0%	• Score 2.5 or lower will be no more than	10%	2.2%	✓

This explanation relates to the two quality of policy advice measures above where the standard has not been met. In 2024/25, the overall consistency of papers remains high, with 98 percent of papers meeting the standard of 3 or higher. However, there were fewer high-scoring papers which resulted in a decrease in the overall average score.

Note 1: A sample of MSD's policy papers are assessed by the NZIER.

Financial information

2023/24	Financial performance	2024/25		
Actual	(Figures are GST exclusive)	Budgeted	Revised	Actual
\$000		\$000	\$000	\$000
	Revenue			
21,790	Crown	22,918	23,668	23,668
-	Department	-	-	-
-	Other	-	-	-
21,790	Total Revenue	22,918	23,668	23,668
20,868	Total Expense	22,918	23,668	21,589
922	Net Surplus/(Deficit)	-	-	2,079

Output expense: Processing of Veterans' Pensions

Appropriation Minister: Minister for Veterans

Scope of appropriation: This appropriation is limited to the processing and administrative aspects of payment of Veterans' Pensions and related allowances.

What is intended to be achieved with this appropriation: This appropriation is intended to achieve the accurate and timely assessment and payment of Veterans' Pensions and related allowances.



Achieved 1 out of 2 performance measures

Performance information

2023/24 Actual	Measure	2024/25		
		Standard	Actual	Status
96%	The percentage of Veterans' Pension entitlement assessments completed accurately will be no less than (Note 1)	95%	94.4%	✗
In 2024/25, our performance declined slightly and is now 0.6 percentage points below standard. Our dedicated team of capability developers will continue to work to identify areas for improvement and support staff to build capability and reduce errors. We expect our accuracy to improve through 2025/26.				
92%	The percentage of Veterans' Pension entitlement assessments completed within timeframes will be no less than (Note 2)	90%	90.7%	✓

Note 1: Accuracy measures the percentage of client assessments that are processed correctly.

Note 2: Standard timeframes are:

- six working days for domestic clients from the date the last piece of information is received to enable a decision to be made
- 20 working days for overseas-based clients and Residential Care Services clients from the date the first piece of information is received.

The following information is provided for context:

	2023/24	2024/25
Number of Veterans' Pension applications and reviews sampled	840	840
Applications for Veterans' Pension	264	435
Veterans' Pension clients (at 30 June)	4,893	4,815

Financial information

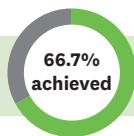
2023/24	Financial performance		2024/25		
Actual	(Figures are GST exclusive)		Budgeted	Revised	Actual
\$000			\$000	\$000	\$000
Revenue					
783	Crown		785	785	785
-	Department		-	-	-
-	Other		-	-	-
783	Total Revenue		785	785	785
700	Total Expense		785	785	632
83	Net Surplus/(Deficit)		-	-	153

Output expense: Promoting Positive Outcomes for Seniors

Appropriation Minister: Minister for Seniors

Scope of appropriation: This appropriation is limited to providing information and facilitation to protect the rights and interests of older people, to promote local community involvement in senior issues, and ministerial services.

What is intended to be achieved with this appropriation: This appropriation is intended to achieve positive outcomes for seniors through supporting their inclusion in a society where older people can age positively, are highly valued and recognised as an integral part of families and communities, and by supporting greater advocacy of their issues by Ministers.



Achieved 2 out of 3 performance measures

Performance information

2023/24 Actual	Measure	2024/25		
		Standard	Actual	Status
4	The average service quality rating for support provided to the Minister for Seniors (Note 1)	3.5	4	✓
76.5%	The percentage of stakeholders who report being ‘satisfied’ or ‘very satisfied’ with the level of engagement of the Office for Seniors will be no less than (Note 2)	75%	79.8%	✓
New measure	The Minister for Seniors has approved the Better Later Life Action Plan 2025–28 by 30 June 2025 (Disclosure 1 and Note 3)	Achieved	Not achieved	✗

The standard was not met. At the time of reporting the plan had yet to be finalised. We are working with the Minister for Seniors with the view to publicly releasing the plan by the end of 2025.

Disclosure 1: This new measure was introduced to replace the previous measure which was time-limited to 30 June 2024.

Note 1: Every six months the Minister for Seniors and the Office for Seniors in MSD discuss the quality of service provided to the Minister in the previous half-year and agree a service quality rating. These conversations are used to drive performance improvements in the following six months. The service quality rating is on a five-point scale from one to five.

Note 2: Stakeholders are surveyed annually from seniors sector organisations, and central and local government. The survey uses a five-point scale from ‘very dissatisfied’ to ‘very satisfied’.

Note 3: The Action Plan sets out the Government’s priorities and commitments to deliver the Better Later Life Strategy for 2025–28.

The following information is provided for context:

	2023/24	2024/25
Number of Office for Seniors stakeholders who provided feedback on their engagement with the Office for Seniors	51	94

Financial information

2023/24	Financial performance	2024/25		
Actual	(Figures are GST exclusive)	Budgeted	Revised	Actual
\$000		\$000	\$000	\$000
Revenue				
2,875	Crown	2,335	2,270	2,270
-	Department	-	-	-
-	Other	-	-	-
2,875	Total Revenue	2,335	2,270	2,270
2,841	Total Expense	2,335	2,270	2,198
34	Net Surplus/(Deficit)	-	-	72

Output expense: Services to Support People to Access Accommodation

Appropriation Minister: Minister of Housing

Scope of appropriation: This appropriation is limited to assessing and reviewing eligibility for housing needs and Income-Related Rent, and managing the Public Housing Register, and supporting the holistic needs of people and their families receiving housing-related case management support.

What is intended to be achieved with this appropriation: This appropriation is intended to achieve accurate and efficient operation of the Public Housing Register so that more people who are eligible for public housing have their housing needs met, and those who are capable of housing independence move closer towards that.



Achieved 2 out of 2 performance measures

Performance information

2023/24 Actual	Measure	2024/25		
		Standard	Actual	Status
96.5%	The percentage of Income-Related Rent assessments completed accurately will be no less than (Notes 1 and 2)	95%	95.6%	✓
25 working days	The average time to have a live application placed on to the Public Housing Register from first requesting assistance with emergency housing will be no more than	30 working days	17 working days	✓

The standard was significantly exceeded. This measure is also a KPI (see page 22).

Note 1: Income-Related Rent is a government-subsidised rent scheme for public housing tenants with low incomes. MSD calculates a client’s rate in accordance with the Public and Community Housing Management Act 1992. Only tenants with verified income are included in this measure.

Note 2: Accuracy measures the percentage of client assessments that are processed correctly.

The following information is provided for context:

	2023/24	2024/25
Number of Income-Related Rent assessments sampled	1,008	1,008
Applications on the Public Housing Register (at 30 June)	27,861	23,721

Financial information

2023/24	Financial performance (Figures are GST exclusive)	2024/25		
		Budgeted	Revised	Actual
		\$000	\$000	\$000
	Revenue			
81,758	Crown	93,473	93,473	93,473
-	Department	-	-	-
-	Other	-	-	-
81,758	Total Revenue	93,473	93,473	93,473
77,207	Total Expense	93,473	93,473	89,719
4,551	Net Surplus/(Deficit)	-	-	3,754

Other Expense: Te Pae Tawhiti

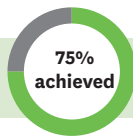
– Horizon One

Appropriation Minister: Minister for Social Development and Employment

This multi-year appropriation commenced on 1 July 2023 and expires on 30 June 2026. In 2025/26, it will be replaced by a new multi-year appropriation ‘Ministry of Social Development – Services for the Future Programme’ to enable the transformation of MSD’s operating and service models.

Scope of appropriation: This appropriation is limited to the design and implementation of a modern system for administering welfare support and related interventions.

What is intended to be achieved with this appropriation: This appropriation is intended to lay the foundations that enable the transformation of MSD’s operating and service models.



Achieved 3 out of 4 performance measures

Performance information

2023/24 Actual	Measure	2024/25		
		Standard	Actual	Status
New measure	Complete the discovery phase for the technology solution for Service Experience by 30 June 2025 (Disclosure 1)	Achieved	Achieved	✓
The new Service Experience system will provide the functionality capability to deliver the wider future service experience, including administering welfare support and related interventions. The standard was met. The discovery phase for this system concluded on 20 December 2024 when the discovery report was presented to the internal project governance team. This formally completes the discovery phase. The discovery phase informed the design of the technology and included research, stakeholder collaboration and the development of implementation plans.				
New measure	Complete the system implementation of a Relational Commissioning Solution by 30 June 2025 (Disclosure 1)	Achieved	Not achieved	✗
The new Relational Commissioning Solution (Kotahitanga) will enable more effective commissioning, streamlined procurement, and improved reporting and payments processes for contracting with external providers. On 10 December 2024, Cabinet approved the MSD Business Transformation Te Pae Tawhiti Programme Horizons Two and Three Detailed Business Case, which included an extended implementation date. In 2024/25, MSD successfully delivered the first releases of the Kotahitanga system change: • Release 1 (November 2024) transitioned over 800 active contracts from our heritage Funding and Contracting system into our new contracting platform, Weka. • Release 1.5 (May 2025) made improvements to system integration, process automation and e-signature functionality. The build phase for the last release of this system has been completed and implementation is set for later this calendar year.				

2023/24 Actual	Measure	2024/25		
		Standard	Actual	Status
New measure	Complete the discovery and high-level design phase Digital Employment Service for job seekers and employers by 30 June 2025 (Disclosure 1)	Achieved	Achieved	✓
The new Digital Employment Service system will enable more streamlined job searching and recruitment processes for both job seekers and MSD. The standard was met. The discovery phase concluded in July 2024 and the high-level design phase concluded on 20 December 2024. The build of the Digital Employment system began in March 2025, with the first release scheduled to go live in 2026.				
New measure	Complete the Te Pae Tawhiti transformation detailed business case by 30 June 2025 (Disclosure 1)	Achieved	Achieved	✓
This standard was met. The detailed business case was presented to Cabinet in December 2024. On 10 December 2024, Cabinet approved the MSD Business Transformation Te Pae Tawhiti Programme Horizons Two and Three Detailed Business Case.				

Disclosure 1: The new measures were introduced to replace the previous measures which were time-limited to 30 June 2024.

Financial information

2023/24	Financial performance	2024/25		
Actual	(Figures are GST exclusive)	Budgeted	Revised	Actual
\$000		\$000	\$000	\$000
	Revenue			
46,368	Crown	93,756	117,116	70,782
-	Department	-	-	-
-	Other	-	-	-
46,368	Total Revenue	93,756	117,116	70,782
46,368	Total Expense	93,756	117,116	70,782
-	Net Surplus/(Deficit)	-	-	-

Capital Expense: Ministry of Social Development – Capital Expenditure PLA

Appropriation Minister: Minister for Social Development and Employment

Scope of appropriation: This appropriation is limited to the purchase or development of assets by and for the use of MSD, as authorised by section 24(1) of the Public Finance Act 1989.

What is intended to be achieved with this appropriation: This appropriation is intended to achieve the replacement or upgrade of assets in support of the delivery of the MSD's services.

Performance information

All current and prior-year capital expenditure has supported the delivery of our long-term capital plan. For further details of departmental capital expenditure incurred against appropriations, refer to Notes 8 and 9 in the Departmental Financial Statements. For details of Departmental Capital Injections, refer to the Departmental Statement of Changes in Equity (page 140).

Our asset performance framework monitors and reports asset performance within two portfolios: property and technology. This reflects the different management approaches required to manage and monitor our significant assets. Pages 126 to 129 contain the results of the performance measures for these assets.

We have a complex and ageing Information and Technology (IT) infrastructure, which may increase the potential for service failures, risking harm to clients and partners, and making it difficult to meet increasing demand or respond to government priorities. A disproportionate amount of effort is currently required to keep systems operational and safe.

Simplifying and improving the resilience of our systems is a continuous focus for our critical IT assets and will support the delivery of a sustainable welfare system through our transformation programme, MSD – services for the future.

We achieved the replacement or upgrade of assets in support of the services we deliver in accordance with our long-term capital plan.

We prioritise the operational integrity of our client and critical payment systems through the continued maintenance of these assets.

Financial information

2023/24	Financial performance	2024/25		
		Budgeted	Revised	Actual
Actual	(Figures are GST exclusive)			
\$000		\$000	\$000	\$000
84,245	Capital Expenditure (PLA)	108,832	88,926	58,585

Multi-Category Appropriation: Community Support Services

Appropriation Minister: Minister for Social Development and Employment

Overarching purpose statement: The single overarching purpose of this appropriation is to prevent and reduce vulnerability and harm for individuals, families and communities.

What is intended to be achieved with this appropriation: This appropriation is intended to improve access for families and whānau to services which address hardship and adverse life outcomes.



Achieved 16 out of 16 performance measures

This appropriation contains two departmental output expenses, six non-departmental output expenses and one non-departmental other expenses category.

Departmental Output Expenses

Developing and Managing Community Services

Scope of appropriation: This category is limited to approving, monitoring, contracting and managing the relationships with community-based service providers; engaging with communities and developing services.

What is intended to be achieved with this appropriation: This category is intended to achieve effective and efficient community services that meet community needs and reduce vulnerability.

Regional System Leadership Framework

Scope of appropriation: This category is limited to co-ordinating and delivering public services at a regional level.

What is intended to be achieved with this appropriation: This category is intended to achieve strengthened regional system leadership by supporting Regional Public Service Commissioners in working to coordinate and align central government decision makers.

Non-Departmental Output Expenses

Community Connectors

Scope of appropriation: This category is limited to Community Connection services to provide targeted advice and support for vulnerable individuals, whānau and communities.

What is intended to be achieved with this appropriation: This category is intended to enable Community Connectors to provide short-term support to individuals and whānau to prevent and reduce the impacts of hardship through supporting and advocating for those they work with until they are connected with appropriate services.

Community Support and Advice

Scope of appropriation: This category is limited to services that build financial capability, develop community and provider capability and provide targeted advice and support for vulnerable individuals and families.

What is intended to be achieved with this appropriation: This category is intended to achieve increased financial capability and improved wellbeing of vulnerable individuals and families.

Improving Children's Participation in Education

Scope of appropriation: This category is limited to programmes and services that enable children to better engage and participate in education.

What is intended to be achieved with this appropriation: This category is intended to achieve an improvement in children's engagement and participation in education.

Participation and Support Services for Seniors

Scope of appropriation: This category is limited to services that address isolation, abuse and neglect of older people, and support participation in communities.

What is intended to be achieved with this appropriation: This category is intended to achieve a reduction in the number of abused and neglected older people.

Place-Based Approaches

Scope of appropriation: This category is limited to the delivery of services and operational support of collective initiatives following a place-based approach.

What is intended to be achieved with this appropriation: This category is intended to achieve the successful implementation and functioning of place-based initiatives to improve outcomes for at-risk children, young people and their families.

Supporting Victims and Perpetrators of Family and Sexual Violence

Scope of appropriation: This category is limited to services that support victims of family and sexual violence and address perpetrator behaviour.

What is intended to be achieved with this appropriation: This category is intended to achieve a reduction in the number of victims and perpetrators of family and sexual violence.

Non-Departmental Other Expenses

Community Response to Adverse or Emergency Events

Scope of appropriation: This category is limited to financial support for communities that have been impacted by an adverse or emergency event.

What is intended to be achieved with this appropriation: This category is intended to achieve increased local resilience through the use of community grants or essential community-led solutions.

Performance information

2023/24 Measure Actual		2024/25		
		Standard	Actual	Status
Overarching Measure				
136,166	The number of people accessing Community Support services will be no less than	84,100	94,639	✓
The standard was significantly exceeded. This reflects MSD's ongoing commitment to work collaboratively with community-based, social service providers to develop and implement a range of evidence-based approaches that meet people's needs. As a result of local demand, these providers may also deliver additional support with the help of philanthropic or other funding sources, which they may report on to MSD.				
Departmental Output Expenses				
Developing and managing community services				
Te Kāhui Kāhu (formally Social Services Accreditation)				
87.9%	The percentage of providers who rate their accreditation assessment as a fair and professional service will be no less than (Note 1)	80%	88%	✓
89.3%	The percentage of accreditation assessments completed within the specified timeframe will be no less than (Note 2)	80%	90.1%	✓
This explanation relates to the above measures for Te Kāhui Kāhu (formally Social Services Accreditation) which were both significantly exceeded. This reflects continued quality improvements to systems and processes to support business delivery, including full functionality of Te Kāhui Kāhu Online.				
Result measurement framework				
90.2%	The percentage of all contracted services which achieved or exceeded the target for their primary contracted measure will be no less than (Note 3)	75%	78.5%	✓
Regional System Leadership Framework				
4	The score for the Minister for Social Development and Employment's satisfaction with the Regional Public Service Commissioners' leadership and coordination across the public service in the regions which contributes to improving outcomes for people, families and communities, will be no less than (Note 4)	3.5	4	✓
Non-Departmental Output Expenses				
Community Connectors				
44,916	The number of households supported through Community Connectors (Disclosure 1)	20,000	25,623	✓
The standard was significantly exceeded. The Community Connection Service was reduced from 100 to 50 Community Connectors from 1 July 2024, as part of Budget 2024 savings initiatives. Despite this the standard was still exceeded due to focusing on areas impacted by North Island Severe Weather Events where there was increased demand for community wraparound social support services and essential community food provision.				
Funding for the Community Connection Service was time-limited to 30 June 2025, which is when the service formally ended.				

2023/24 Actual	Measure	2024/25		
		Standard	Actual	Status
Community support and advice				
Building financial capability				
92.4%	The percentage of clients who report progress towards achieving their financial capability goals will be no less than (Note 5)	80%	90.2%	✓
The standard was significantly exceeded. MSD has shifted to a full-time equivalent based funding model for Building Financial Capability services. Financial mentors now have more flexibility to respond to the needs of their clients and are able to work with them on an ongoing basis until they can achieve their financial capability goals.				
Sector umbrella groups				
96.7%	The percentage of member agencies who report that they are better able to deliver their services as a result of the support offered by the umbrella organisation will be no less than (Note 6)	90%	100%	✓
The standard was significantly exceeded. This positive result reflects the way in which MSD partners relationally with umbrella organisations to understand the needs of their member agencies, as well as how these organisations are best supported meet those needs. This includes agencies from the family violence and sexual violence sectors.				
Microfinance Partnership				
68.8%	The percentage of completed loan applications approved will be no less than	60%	70%	✓
The standard was significantly exceeded. In 2024/25, Microfinance providers signalled that there was high ongoing demand for loan applications as people continue to manage cost of living pressures. The results show a significant proportion of people are being supported to access safer credit and reduce their debt. However, providers have indicated that enquiries from people who are not eligible for this service also placed additional pressure on them impacting their ability to provide additional support to people who may need it.				
Improving children’s participation in education				
An exemption from performance reporting was granted under section 15D(2)(b)(iii) of the Public Finance Act 1989.				
Participation and support services for seniors				
Elder Abuse Response Service				
85.4%	The percentage of clients who indicate they have greater control over their lives after receiving the Elder Abuse Response service will be no less than (Note 6)	80%	92%	✓
The standard was significantly exceeded. The positive result reflects the ongoing impact of the Elder Abuse Response Service expansion and the work that has been done to increase the visibility and awareness of elder abuse (i.e. World Elder Abuse Awareness Day). MSD is working more collaboratively with partners from across the family violence sector to improve referral pathways, including from telehealth services to community-based providers.				

2023/24 Measure Actual		2024/25		
		Standard	Actual	Status
Place-based approaches				
New measure	The number of demonstrable examples of whānau-centred system improvement insights produced by the Place-Based Initiatives will be no less than (Disclosure 2 and Note 7)	8	16	✓
The standard was significantly exceeded. This was due to an additional two PBIs being included in the measure for 2024/25 and providers producing a greater number of shorter reports on shared topics that provide distinct insights.				
Supporting victims and perpetrators of family and sexual violence				
52,078	The number of people accessing family and sexual violence services will be no less than	30,500	47,417	✓
The standard was significantly exceeded. The positive rating reflects MSD's approach to working in partnership with family and sexual violence providers to ensure that services are designed and implemented to meet community needs. MSD is also working more collaboratively with partners from across the family violence and sexual violence sectors to improve referral pathways to ensure that more people can access these services. This includes work to enhance pathways from telehealth services to community-based providers.				
95.4%	The percentage of victims of family violence who reported they are satisfied or very satisfied with the family violence response services will be no less than	80%	96.2%	✓
The standard was significantly exceeded. This is also a KPI (see page 23)				
88.6%	The percentage of victims of sexual violence who reported they received the support they needed, when they needed it will be no less than	80%	86.8%	✓
The standard was met. This is also a KPI (see page 23)				
93.4%	The percentage of non-mandated harmful sexual behaviour clients who show a decrease in risk factors will be no less than (Note 8)	80%	100%	✓
The standard was significantly exceeded. In 2024/25, demand for Sexual Violence Crisis Support services remained high. The positive result shows that the clinical approach to supporting clients, alongside the wider psychosocial support applied through this service to address harmful sexual behaviour, is effective and decreases associated risk factors in non-mandated adults.				
Non-Departmental Other Expenses				
Community response to adverse or emergency events				
New measure	The number of organisations engaged to provide infrastructure support to the community food sector will be no less than (Disclosure 3 and Note 9)	42	42	✓

Disclosure 1: The standard was reduced from 50,000 to reflect the amount of funding allocated for 2024/25.

Disclosure 2: This new measure was introduced to replace the two previous measures which were time-limited to 30 June 2024.

Disclosure 3: The previous measure was replaced to reflect a shift in the investment focus.

Note 1: Te Kāhui Kāhu assesses social service providers against the Social Sector Accreditation Standards to ensure they can safely deliver social services to their community.

Note 2: The specified timeframe is 30 working days following a site visit for single site providers, and 50 working days following the last site visit for multi-site providers.

Note 3: Contracts between MSD and service providers outline the primary measures for those contracts depending on what services are being procured. These can include measures of the number of staff funded, projects undertaken, services provided or outcomes achieved.

Note 4: The Minister's satisfaction is calculated through the quality rating received on advice provided to them through reporting provided by the Regional Public Service Office hosted by MSD and the Minister's engagement with the Regional Public Service Commissioners. The satisfaction score is measured on a scale from one to five, where one means never met expectations and five means always exceeded expectations.

Note 5: Progress is measured as a positive shift in at least one of a client's goals, as measured via a survey at the end of their use of a Building Financial Capability service.

Note 6: Provider-administered client surveys are undertaken by the providers and reported to MSD as per contractual requirements.

Note 7: The Place-Based Initiatives (PBIs) are funded by MSD to enable collaboration and collective action across government agencies by working with them and local leaders, including iwi Māori, to identify opportunities for operational and system changes to improve outcomes for whānau. The PBIs included in this measure are the Impact Collective, North Shore Initiative, Manaaki Tairāwhiti and South Auckland Social Wellbeing Board. The demonstrable examples, provided through reporting, are assessed against standardised quality specifications that align with the purpose of the PBIs' funding.

Note 8: This service is only for non-mandated clients. Non-mandated means that they are not required by law to attend. Mandated clients will be supported through other parts of the system, including the Department of Corrections and the Ministry of Justice.

Note 9: Infrastructure support includes the storage and distribution of large quantities of food through the branches of key partners or food hubs such as the New Zealand Food Network.

The following information is provided for context:

	2023/24	2024/25
Departmental Output Expenses		
Te Kāhui Kāhu (formally Social Services Accreditation)		
Assessments completed	1,632	1,797
Number of providers surveyed on accreditation process	887	1,108
Provider survey response rate	28%	19.6%
Number of accredited providers (at 30 June)	1,997	1,835
Result measurement framework		
Number of contracted service providers	1,079	738
Percent of contracted service providers who reported to MSD on their primary contracted measure	74.6%	88%
Non-Departmental Output Expenses		
Sector umbrella groups		
Number of member agencies surveyed	3	3
Microfinance Partnership		
Loan applications received	2,478	2,828
Elder abuse response services		
Number of elder abuse clients who provided formal client satisfaction feedback	1,592	1,953
People accessing elder abuse response services	4,324	4,430

	2023/24	2024/25
Supporting Victims and Perpetrators of Family and Sexual Violence		
Number of clients who used the Family Violence Response Service and provided formal client satisfaction feedback	6,570	4,358
Number of clients who used the Sexual Harm Crisis Support Service and provided feedback or formal client satisfaction feedback	4,153	2,119
Non-Departmental Other Expenses		
Community response to adverse or emergency events		
Number of food parcels delivered by providers	594,743	457,340
Number of kilograms of food supplies distributed by community food hubs	8,137,969	8,633,804

Financial information

2023/24	Financial performance	2024/25		
Actual	(Figures are GST exclusive)	Budgeted	Revised	Actual
\$000		\$000	\$000	\$000
Departmental Output Expenses				
	Revenue from Crown			
47,907	Developing and Managing Community Services	38,134	41,584	41,584
6,135	Regional System Leadership Framework	4,000	3,600	3,600
	Revenue from Departmental			
1,550	Regional System Leadership Framework	1,400	2,000	2,000
	Revenue from Others			
375	Regional System Leadership Framework	-	-	-
55,967	Total Revenue	43,534	47,184	47,184
50,468	Total Expense	43,534	47,184	46,817
5,499	Net Surplus/(Deficit)	-	-	367

2023/24	Financial performance	2024/25		
Actual	(Figures are GST exclusive)	Budgeted	Revised	Actual
\$000		\$000	\$000	\$000
Non-Departmental Output Expenses				
32,867	Community Connectors	9,096	9,096	9,005
53,519	Community Support and Advice	58,083	62,233	60,776
1,469	Improving Children's Participation in Education	1,643	1,643	1,642
12,072	Participation and Support Services for Seniors	14,132	14,132	13,520
6,364	Place-Based Approaches	6,691	6,691	6,364
177,917	Supporting Victims and Perpetrators of Family and Sexual Violence	190,564	196,669	194,355
Non-Departmental Other Expenses				
36,037	Community Response to Adverse or Emergency Events	11,000	15,000	15,049
320,245	Total Expense	291,209	305,464	300,711

Multi-Category Appropriation: Housing Support Assistance

Appropriation Minister: Minister of Housing

Overarching purpose statement: The single overarching purpose of this appropriation is to support people to access or retain housing.

What is intended to be achieved with this appropriation: This appropriation is intended to support people into a non-public housing solution. This includes people who are on the Housing Register, in public housing or have otherwise contacted us for support.

100%
achieved

Achieved 2 out of 2 performance measures

This appropriation contains one non-departmental output expenses, one non-departmental other expenses and one non-departmental capital expenditure category.

Non-Departmental Output Expenses

Provision to better prepare people to access and sustain private rentals

Scope of appropriation: This category is limited to the provision of programmes to help prepare people to obtain and sustain private rental accommodation.

What is intended to be achieved with this appropriation: This category is intended to better prepare people for private rental accommodation, providing education and support to enable people to access and/or retain a housing tenancy.

Non-Departmental Other Expenses

Non-Recoverable Housing Support Assistance

Scope of appropriation: This category is limited to non-recoverable Housing Support Assistance, to help people obtain and/or retain housing, paid in accordance with criteria set out in delegated legislation made under the Social Security Act 2018.

What is intended to be achieved with this appropriation: This category is intended to better prepare people for private rental accommodation, providing non-recoverable support that can reduce barriers that people may face in accessing and/or retaining a housing tenancy.

Non-Departmental Capital Expenditure

Recoverable Housing Support Assistance

Scope of appropriation: This category is limited to recoverable Housing Support Assistance, to help people obtain and/or retain housing, paid in accordance with criteria set out in delegated legislation made under the Social Security Act 2018.

What is intended to be achieved with this appropriation: This category is intended to better prepare people for private rental accommodation, providing recoverable support that can reduce barriers that people may face in accessing and/or retaining a housing tenancy.

Performance information

2023/24 Actual	Measure	2024/25		
		Standard	Actual	Status
Overarching Measure				
90.3%	The percentage of people who are not on the Housing Register, or have not received an Emergency Housing Grant, 90 calendar days after receipt of a Housing Support Product (HSP) will be no less than (Notes 1, 2, 3 and 4)	70%	92.1%	

The standard was significantly exceeded. This measure is also a KPI (see page 22).

Non-Departmental Output Expenses

Provision to better prepare people to access and sustain private rentals

An exemption from performance reporting was granted under section 15D(2)(b)(iii) of the Public Finance Act 1989.

Non-Departmental Other Expenses

Non-recoverable housing support assistance

93.6%	The percentage of people who are not on the Housing Register, or have not received an Emergency Housing Grant, 90 calendar days after receipt of a non-recoverable Housing Support Product will be no less than (Notes 1, 2, 3 and 4)	70%	96.5%	
-------	---	-----	--------------	---

The standard was significantly exceeded. Since March 2023, there is one HSP grant type that is non-recoverable, the Transition to Alternative Housing (TTAH) grant. This is a one-off incentive payment for eligible clients voluntarily exiting public housing and entering the private rental market.

The TTAH grant has the highest effectiveness rate of our HSPs. Clients receiving the TTAH incentive payment are more likely to be in a stable housing situation and be ready and able to rent in the private housing market.

The standard for this measure has been increased for 2025/26 to reflect our sustained high performance.

Non-Departmental Capital Expenditure

Recoverable Housing Support Assistance

An exemption from performance reporting was granted under section 15D(2)(b)(ii) of the Public Finance Act 1989.

- Note 1:** The Emergency Housing Grant was previously called the Emergency Housing Special Needs Grant.
- Note 2:** To avoid double counting, people who may have gone onto the Housing Register and moved into social housing (or emergency housing) in the 90 calendar days after receipt of an HSP will be counted only as being in social housing or emergency housing.
- Note 3:** The Housing Register is a record of New Zealanders who are not currently in social housing and who have been assessed as being eligible. Emergency Housing Grants help individuals and families with the cost of staying in short-term accommodation if they are unable to access a contracted transitional housing place.
- Note 4:** HSPs are individual products that provide financial assistance for clients needing help to obtain and retain rental housing. Most HSPs are recoverable grants, which include moving costs, bond and rent in advance. Some HSPs are non-recoverable grants, including transitions to alternative housing, which is an incentive payment for clients who are ready and able to move out of social housing and into alternative housing.

The following information is provided for context:

	2023/24	2024/25
Number of Emergency Housing Grants	88,008	24,831
Number of Housing Support Products grants	116,968	152,397

Financial information

2023/24	Financial performance	2024/25		
Actual	(Figures are GST exclusive)	Budgeted	Revised	Actual
\$000		\$000	\$000	\$000
Non-Departmental Output Expenses				
1,018	Provision to Better Prepare People to Access and Sustain Private Rentals	2,063	2,063	1,051
Non-Departmental Other Expenses				
601	Non-Recoverable Housing Support Assistance	6,441	1,601	1,567
Non-Departmental Capital Expenditure				
109,994	Recoverable Housing Support Assistance	138,982	153,950	147,792
111,613	Total Expense	147,486	157,614	150,410

Multi-Category Appropriation: Improved Employment and Social Outcomes Support

Appropriation Minister: Minister for Social Development and Employment

Scope statement: The single overarching purpose of this appropriation is to operate the benefit system and associated interventions in such a way as to improve client outcomes (employment and social) by moving them closer to independence, with a focus on those at risk of long-term benefit receipt.

What is intended to be achieved with this appropriation: This appropriation is intended to achieve improved employment and social outcomes.



Achieved 15 out of 20 performance measures

This appropriation contains five departmental output expenses, three non-departmental output expenses and one non-departmental other expenses category.

Departmental Output Expenses

Administering Income Support

Scope of appropriation: This category is limited to assessing, paying, reviewing entitlements and collecting balances owed by clients for income support, supplementary assistance, grants and allowances, and administering international social security agreements relating to disabled people, sole parents, and widows and widowers.

What is intended to be achieved with this appropriation: This category is intended to achieve accurate and efficient operation of the benefit system so that the correct amount is paid to the correct people on time.

Improving Employment Outcomes

Scope of appropriation: This category is limited to providing assistance, services and other interventions, including associated administrative expenses, either in accordance with delegated legislation made under the Social Security Act 2018, or as approved by Cabinet or the appropriation Minister, or consistent with strategic direction set by Cabinet or the appropriation Minister, to eligible people to help them move into and retain employment.

What is intended to be achieved with this appropriation: This category is intended to achieve an increase in the number of people (from those who are currently receiving or are likely to receive working-age benefits and are work ready) moving into sustainable employment.

Improving Employment Outcomes to Support People Impacted by Extreme Weather Events

Scope of appropriation: This category is limited to providing assistance, services and other interventions, including associated administrative expenses, either in accordance with delegated legislation made under the Social Security Act 2018, or as approved by Cabinet or the appropriation Minister, or consistent with strategic direction set by Cabinet or the appropriation Minister, to eligible people impacted by extreme weather events to help them move into and retain employment.

What is intended to be achieved with this appropriation: This category is intended to reduce long-term impacts on employment and income on individuals affected by the North Island Extreme Weather Events as well as support the recovery of affected regions.

Improving Work Readiness Outcomes

Scope of appropriation: This category is limited to providing assistance, services and other interventions, including associated administrative expenses, either in accordance with delegated legislation made under the Social Security Act 2018, or as approved by Cabinet or the appropriation Minister, or consistent with strategic direction set by Cabinet or the appropriation Minister, to eligible people to address barriers to employment to help them become work ready.

What is intended to be achieved with this appropriation: This category is intended to improve the skills and capabilities of people who are receiving or are likely to receive working-age benefits and reduce barriers to employment, to assist them to become work-ready and increase their chances of entering into sustainable work.

Jobs and Skills Hub

Scope of appropriation: This category is limited to expenses incurred in establishing, operating and administering jobs and skills hubs to work with employers to facilitate job brokerage and training.

What is intended to be achieved with this appropriation: This category is intended to support large-scale construction and infrastructure projects by building community workforce capability and capacity.

Non-Departmental Output Expenses

He Poutama Rangatahi

Scope of appropriation: This category is limited to supporting training and employment programmes for young people not in education, employment or training and at risk of poor labour market outcomes in the long-term.

What is intended to be achieved with this appropriation: This category is intended to achieve support for communities to link rangatahi directly to employers and support those employers willing to invest in employing them.

Māori Trades and Training Programmes

Scope of appropriation: This category is limited to expenses incurred on programmes that support Māori through Trades and Training.

What is intended to be achieved with this appropriation: This category is intended to achieve the selection and funding of programmes that support Māori through Trades and Training.

Pacific employment and training programmes

Scope of appropriation: This category is limited to expenses incurred on employment and training programmes that support Pacific Peoples.

What is intended to be achieved with this appropriation: This category is intended to achieve an improvement in employment outcomes for Pacific Peoples through their participation in training and upskilling programmes delivered by Pacific organisations.

Non-Departmental Other Expenses

Flexi-Wage Employment Assistance

Scope of appropriation: This category is limited to providing Flexi-wage employment assistance, for eligible people to help them move into and retain sustainable employment, in accordance with criteria set out by Cabinet or approved by the Minister or in delegated legislation made under the Social Security Act 2018.

What is intended to be achieved with this appropriation: This category is intended to achieve an increase in the number of people achieving a sustainable employment outcome through the use of Flexi-wage.

Performance information

2023/24 Actual	Measure	2024/25		
		Standard	Actual	Status
Overarching Measures				
17,592	The number of exits from a main benefit during the calendar year for reason of employment following an employment intervention will be no less than (Disclosure 1 and Notes 1, 2 and 3)	18,000	18,894	✓
62.5%	Of those clients who have exited a main benefit during the calendar year for reason of employment, following an employment intervention, the proportion that did not access a main benefit again in the following six months will be no less than (Notes 1 and 2)	55%	63.4%	✓
The standard was significantly exceeded. This is also a KPI (see page 19).				
94.4%	The percentage of Employment Assistance programmes rated 'effective' or 'promising' will be no less than	90%	94.9%	✓
The standard was met. This measure is also a KPI (see page 20).				
Departmental Output Expenses				
Administering income support				
77.6%	The proportion of benefit entitlement assessments completed accurately will be no less than (Note 4)	95%	78.8%	✗
The standard was not met. This is also a KPI (see page 21).				

2023/24 Actual	Measure	2024/25		
		Standard	Actual	Status
90.8%	The proportion of benefit entitlement assessments completed within five working days will be no less than (Notes 4 and 5)	90%	88.3%	✗
Performance was slightly below standard (1.7 percentage points). During challenging financial times more people apply for main benefits. This increases the demands on our frontline services and impacts on our ability to maintain our processing timeliness standard. We are looking into ways to streamline our process, minimise rework and reduce our backlogs to bring down our processing time for our clients. In 2024/25, we have standardised appointment calendars to create greater availability and improved guidelines for managing workloads to improve timeliness.				
Improving employment outcomes				
16,137	The number of exits from a main benefit during the calendar year for reason of employment, following an employment outcomes intervention will be no less than (Disclosure 1 and Notes 1, 2, 3 and 6)	17,000	16,911	✗
The standard was nearly met. Performance was 0.5 percent below standard and has increased from last year. This is a subset of the broader 'Employment interventions' included in the overarching measure for this MCA (see page 92).				
62.3%	Of those clients who have exited a main benefit during the calendar year for reason of employment, following an employment outcomes intervention, the proportion that did not access a main benefit again in the following six months will be no less than (Notes 1, 2 and 6)	55%	63.1%	✓
The standard was significantly exceeded. This measure is a subset of the broader 'Employment interventions' included in the overarching measure for this MCA (see page 92).				
15,715	The number of people supported through the Direct Career Service will be no less than (Note 7)	13,500	16,414	✓
The standard was significantly exceeded. This can be attributed to a higher proportion of shorter meetings being booked, which allowed providers to schedule additional appointments.				
4,733	The number of disabled people placed or supported to remain in open paid employment will be no fewer than (Note 8)	5,800	3,943	✗
The standard was not met. In challenging economic conditions employers are less likely to hire new staff, which makes it more difficult to place people into work. This tends to have a greater impact on employment opportunities for those with a disability and/or health conditions. We are undertaking a service design review to improve the outcomes of these services. We will also review the scope of this measure to make sure it is fit for purpose.				
New measure	The percentage of Apprenticeship Boost payments processed accurately will be no less than (Disclosure 2 and Note 9)	95%	99.1%	✓
Improving Employment Outcomes to Support People Impacted by Extreme Weather Events				
45	The number of training and employment programmes and services created or bolstered by the funding will be no less than (Disclosure 3 and Note 10)	15	55	✓
The standard was significantly exceeded. At the time the 2024/25 standard was set the funding was expected to support a smaller number of large-scale programmes. However, as the recovery response developed, regions determined that smaller-scale programmes would be more suitable to meet community needs. This resulted in a greater number of programmes and services supported.				

2023/24 Measure Actual		2024/25		
		Standard	Actual	Status
Improving Work Readiness Outcomes				
2,880	The number of exits from a main benefit during the calendar year for reason of employment, following a work-readiness intervention will be no less than (Notes 1, 2, 3 and 11)	2,500	3,777	✓
The standard was significantly exceeded. This measure is also a KPI (see page 20) and is a subset of the broader ‘Employment interventions’ included in the overarching measures for this MCA (see page 92).				
62.8%	Of those clients who have exited a main benefit during the calendar year for reason of employment, following a work-readiness intervention, the proportion that did not access a main benefit again in the following six months will be no less than (Notes 1, 2 and 11)	60%	62.6%	✓
The standard was met. This measure is a subset of the broader ‘Employment interventions’ included in the overarching measures for this MCA (see page 92).				
Employment Programmes – Vocational Rehabilitation Services for Musculoskeletal Pain				
New measure	Conduct a Rapid Appraisal of the two new test Vocational Rehabilitation Services by 30 June 2025 (Disclosure 4)	Achieved	Achieved	✓
The standard was met. A Rapid Appraisal of the two Vocational Rehabilitation Service test sites was conducted by 30 June 2025. The appraisal provided information on enrolments, inputs, activities, exits and immediate outcomes for clients enrolled in the Wellington and Auckland trial sites from November 2024 to May 2025 (around six months of delivery). Across both sites, 134 people enrolled in the service, with 25 achieving employment-related outcomes (including work readiness outcomes) and 79 still active in the pilot at time of reporting.				
Jobs and Skills Hub				
2,758	The number of training interventions completed to support industry and major projects will be no less than (Note 12)	2,500	3,273	✓
The standard was significantly exceeded. The slowdown in the construction and infrastructure sector has presented opportunities to train and upskill people so they are work ready for when large-scale projects start. There has been a growing demand for training interventions, driven by evolving labour market needs, high competition within the construction industry, and the increasing requirement to upskill candidates.				
981	The number of project vacancies filled will be no less than (Disclosure 5 and Note 12)	850	1,171	✓
The standard was significantly exceeded. Some key projects the Hubs were supporting in 2023/24 were discontinued or delayed, meaning the Hubs had to adjust their operating model to support a wider range of employers, including small-to-medium enterprises. This has contributed to higher-than-forecast filled vacancies.				
Non-Departmental Output Expenses				
He Poutama Rangatahi				
3,166	The number of young people supported onto education, training or employment pathways by programmes funded through the appropriation will be no less than (Note 13)	2,500	3,254	✓
The standard was significantly exceeded. High-performing providers were offered contract variations to extend the volume, outcomes and term of their agreements. This provided them with confidence to increase the number of young people supported at a reduced cost per participant. As providers have become more established, we also supported them to improve their referral and enrolment practices, which resulted in a greater number of enrolments.				

2023/24 Measure Actual		2024/25		
		Standard	Actual	Status
Māori Trades and Training Programmes				
1,832	The number of people supported onto trades and training pathways by programmes funded through the appropriation will be no less than (Note 13)	1,000	1,966	✓
The standard was significantly exceeded. High-performing providers, who were meeting or surpassing their performance targets, were offered contract variations to allow for increased participant intake in their individual programmes.				
Pacific employment and training programmes				
New measure	The percentage of participants who achieve an improvement in their employment outcome, and have retained or improved that outcome for at least 90 days, will be no less than (Disclosure 4 and Note 14)	70%	64.8%	✗
The standard was not met. Performance was below standard as the impact of training interventions has only recently begun to lead to sustained employment outcomes. The 2024/25 result is based on a limited sample size, and a higher number of sustainable employment outcomes is expected in 2025/26.				
Non-Departmental Other Expenses				
Flexi-wage Employment Assistance				
62.4%	The percentage of clients who exited a main benefit during the calendar year for reason of employment, following the completion of a Flexi-wage contract, and who did not access a main benefit again in the following six months will be no less than (Disclosures 1 and 6 and Notes 1, 2 and 15)	60%	63.9%	✓
Disclosure 1: The standards for these measures were raised for 2023/24 to 20,000, 19,000 and 65 percent respectively as MSD responded to the record years of exits into work post the COVID-19 pandemic and a strong resurgent labour market. We have now started to return to historical levels of exits and the standards were reduced to achievable but challenging levels to reflect this. Disclosure 2: This measure was added to provide further performance information on this category. Disclosure 3: The standard was decreased from 45 to reflect the funding allocated for 2024/25. Disclosure 4: The new measures were introduced to replace previous measures that were time-limited to 30 June 2024. Disclosure 5: The apprenticeship-related measure was removed due to the shift in the Hubs’ focus towards supporting employment opportunities, and the standard for the project vacancy-related measure was increased from 800 to reflect this. Disclosure 6: The measure wording was adjusted for clarity and the methodology was updated to reflect this. The 2024/25 result only counts the number of Flexi-wage clients who exited for ‘reason of employment’ while the 2023/24 result included all Flexi-wage clients. Note 1: MSD offers several main benefits such as Jobseeker Support, Supported Living Payment and Sole Parent Support. Note 2: For these measures, clients will appear multiple times if they exit a main benefit multiple times and have been assessed for pre-exit activity each time. As the measurement of clients not accessing a main benefit again is taken six months after each exit, the clients included in this count have exited a main benefit within the calendar year rather than the financial year. This is to show a full financial year result for these measures. Note 3: These measures reflect ‘exits from a main benefit for reasons of employment, following an employment intervention’. These measures do not include employment case management and are a subset of the broader ‘exits into work’ numbers reported in MSD’s Benefit Fact Sheet on our website. Note 4: For these measures ‘Benefit entitlement assessment’ refers to working-age main and supplementary benefits that MSD offers, such as Jobseeker Support and Accommodation Supplement.				

Note 5: The timeframe is calculated from the day all information required to complete an assessment is received to the day the client is advised of the outcome.

Note 6: Employment outcomes intervention refers to vacancy placements and some employment products and programmes.

Note 7: The Direct Career Service provides personalised career advice from qualified, professional career practitioners and is available to all New Zealanders who want to transition into new or different work.

Note 8: Open employment is where people with and without disability work together in the same workplace in roles that are open to everyone in the workforce. This compares with supported or sheltered employment, which provides specific employment for disabled people.

Note 9: Apprenticeship Boost provides subsidies to employers of eligible apprentices to help keep them employed and training towards their qualifications and to incentivise employers to take on new apprentices. This is a cross-Vote initiative with Vote Tertiary Education. The policy regarding the initiative is led by the Ministry of Education, and the administration of the scheme is led by MSD. Accuracy measures the percentage of payments that are processed correctly.

Note 10: Training and employment programmes and services include any contracted services, MSD products and services, as well as additional staff to support training and employment outcomes.

Note 11: Work-readiness intervention refers to an external service that helps remove barriers to a client becoming ready for work.

Note 12: Jobs and Skills Hubs are a recruitment and training facilitation service to support Aotearoa's construction and infrastructure sectors.

Note 13: These measures count the number of people who joined one of these programmes.

Note 14: An improvement in a participant's employment outcome can include obtaining more secure employment or leadership roles and moving into a high-growth or sustainable sector. The intent of the programmes is to work with participants to sustain their improved outcome.

Note 15: Flexi-wage contracts are available to support New Zealanders to secure employment through incentivising employers to take on candidates who are disadvantaged in the labour market or at risk of long-term benefit receipt, or to assist people who are interested in starting a new business.

The following information is provided for context:

	2023/24	2024/25
Overarching Measures		
People exiting a main benefit and going into work in 2023/24	71,721	80,772
Departmental Output Expenses		
Administering income support		
Number of benefit entitlement assessments sampled	4,949	4,950
Estimated number of benefit entitlement assessments processed	7,763,856	8,951,514
Improving employment outcomes		
Number of participants in employment programmes and products	146,650	151,804
Number of Apprenticeship Boost assessments sampled	N/A	3,001
Improving work-readiness outcomes		
Number of participants in work-readiness programmes	5,112	25,092
Non-Departmental Other Expenses		
Flexi-wage employment assistance		
Number of clients supported into work by Flexi-wage	7,035	6,791

For more information see the Benefit Fact Sheets on the MSD website.

Financial information

2023/24	Financial performance	2024/25		
Actual	(Figures are GST exclusive)	Budgeted	Revised	Actual
\$000		\$000	\$000	\$000
Departmental Output Expenses				
	Revenue from Crown			
510,216	Administering Income Support	443,618	445,539	445,539
528,962	Improving Employment Outcomes	475,536	447,095	447,095
23,212	Improving Employment Outcomes to Support People Impacted by Extreme Weather Events	10,212	10,212	10,212
126,368	Improving Work Readiness Outcomes	109,269	142,730	142,730
5,522	Jobs and Skills Hubs	8,755	8,755	8,755
	Revenue from Departmental			
431	Administering Income Support	1,600	1,600	16
	Revenue from Others			
2,672	Administering Income Support	2,000	2,000	5,887
1,197,383	Total Revenue	1,050,990	1,057,931	1,060,234
1,193,848	Total Expense	1,050,990	1,057,931	1,057,965
3,535	Net Surplus/(Deficit)	-	-	2,269

2023/24	Financial performance	2024/25		
Actual	(Figures are GST exclusive)	Budgeted	Revised	Actual
\$000		\$000	\$000	\$000
Non-Departmental Output Expenses				
41,635	He Poutama Rangatahi	39,177	44,177	41,871
30,235	Māori Trades and Training Programmes	20,911	20,911	15,881
2,208	Pacific Employment and Training Programmes	2,396	2,396	2,396
Non-Departmental Other Expenses				
25,143	Flexi-Wage Employment Assistance	26,571	26,571	26,571
99,221	Total Expense	89,055	94,055	86,719

Multi-Category Appropriation: Partnering for Youth Development

Appropriation Minister: Minister for Youth

Overarching purpose statement: The single overarching purpose of this appropriation is to improve outcomes for young people through youth development.

What is intended to be achieved with this appropriation: This appropriation is intended to promote the use of a positive youth development approach to help support an increase in the wellbeing of rangatahi across Aotearoa New Zealand so that they are better able to succeed in, contribute to and enjoy life.



Achieved 6 out of 6 performance measures

This appropriation contains one departmental output expenses and one non-departmental output expenses category.

Departmental Output Expenses

Administering Youth Development

Scope of appropriation: This category is limited to developing, promoting and funding a positive youth development approach in partnership with businesses, iwi and the philanthropic and youth sectors.

What is intended to be achieved with this appropriation: This category is intended to champion positive youth development as an approach to support rangatahi across Aotearoa New Zealand to improve their wellbeing and to increase the accessibility of quality positive youth development services, particularly for those from the identified priority cohorts.

Non-Departmental Output Expenses

Delivering Youth Development

Scope of appropriation: This category is limited to purchasing youth development outcomes.

What is intended to be achieved with this appropriation: This category is intended to achieve an improvement in the wellbeing of young people through their participation in quality positive youth development (including through partnerships with businesses, iwi, the philanthropic, youth sectors and other government organisations), an improvement in young people's preparedness for the future work environment through enterprise education and skills development.

Performance information

2023/24 Actual	Measure	2024/25		
		Standard	Actual	Status
Overarching Measure				
86%	The percentage of participants who report they have seen an improvement in their outcomes through participation in a Ministry of Youth Development (MYD) funded programme or service will be no less than (Note 1)	85%	86.5%	✓
Departmental Output Expenses				
Administering youth development				
74.5%	The percentage of total funding for youth development opportunities targeted at young people from the priority cohorts will be no less than (Disclosure 1 and Notes 2 and 3)	60%	86.1%	✓
The standard was significantly exceeded. This was due to changes in funding criteria to focus on MYD priority cohorts, together with more successful funding applications from communities representing priority cohorts.				
98.5%	The percentage of providers reporting that interacting with MYD was a ‘good’ or ‘very good’ experience will be no less than	80%	95.3%	✓
The standard was significantly exceeded. This measure is also a KPI (see page 23).				
100%	The percentage of partners involved in funding services through the Partnership Fund reporting that partnering with MYD was a ‘good’ or ‘very good’ experience will be no less than (Note 4)	80%	90%	✓
The standard was significantly exceeded. The positive rating reflects MYD’s ongoing relational approach, which includes open and transparent communication, timely support and a strong partnering focus.				
Non-Departmental Output Expenses				
Delivering youth development				
85.9%	The percentage of participants who report they have seen an improvement in their wellbeing through participation in MYD funded youth development programmes or services will be no less than (Notes 1 and 5)	85%	86.4%	✓
86.6%	The percentage of participants who report they have improved their preparedness for the future work environment through participation in MYD funded youth enterprise programmes or services will be no less than (Notes 1 and 5)	85%	88.6%	✓

Disclosure 1: The standard has been raised from 50 percent to reflect the progress MYD has made to increase access to services.

Note 1: Data for this measure is collected through participant feedback surveys completed by young people who have participated in MYD funded initiatives. Questions are designed to explore which outcomes young people believe they have achieved through taking part in the programme or service.

Note 2: The identified priority cohorts are rangatahi Māori, Pacific young people, young women, Rainbow young people, disabled young people, young people from ethnic communities (in particular, former refugees and recent migrants) and young people living in the regions (the regions are defined as the non-urban, more rural and often isolated regions across New Zealand).

Note 3: Data for this measure is collected through the outcome agreements and grant letters with MYD-funded providers.

Note 4: 'Partners' are those who are contributing funds and resources (either in cash or in kind) alongside MYD to support the youth development initiatives. Data for this measure is collected through annual surveying of Partnership Fund partners. The ratings are: 'very bad', 'bad', 'neither bad nor good', 'good' or 'very good'.

Note 5: These measures are a subset of the overarching measure, with one specifically focused on youth development outcomes and the second on youth enterprise outcomes.

The following information is provided for context:

	2023/24	2024/25
Departmental Output Expenses		
Administering youth development		
Number of providers surveyed	136	127
Provider survey response rate	100%	100%
Number of partners surveyed	13	10
Partner survey response rate	69%	100%
Non-Departmental Output Expenses		
Delivering youth development (Note 1)		
Number of providers funded	139	147
Number of opportunities funded	55,371	56,954
Number of participants surveyed (Note 2)	64,803	69,899
Participant feedback survey response rate	33%	33%

Note 1: This contextual information outlines the totals for all funded opportunities. The number of providers and opportunities funded will fluctuate based on how MYD responds to community needs and/or changing priorities.

Note 2: The number of participants surveyed is determined from the total number of opportunities delivered. Some providers delivered more opportunities than they were funded for, making the survey population size higher than the total opportunities MYD funded.

Financial information

2023/24	Financial performance	2024/25		
Actual	(Figures are GST exclusive)	Budgeted	Revised	Actual
\$000		\$000	\$000	\$000
Departmental Output Expenses				
Revenue from Crown				
5,238	Administering Youth Development	4,534	6,112	6,112
Revenue from Departmental				
-	Administering Youth Development	-	193	193
5,238	Total Revenue	4,534	6,305	6,305
3,853	Total Expense	4,534	6,305	5,881
1,385	Net Surplus/(Deficit)	-	-	424

2023/24	Financial performance	2024/25		
Actual	(Figures are GST exclusive)	Budgeted	Revised	Actual
\$000		\$000	\$000	\$000
Non-Departmental Output Expenses				
17,244	Delivering Youth Development	17,970	17,417	17,413
17,244	Total Expense	17,970	17,417	17,413

Multi-Category Appropriation: Redress for Abuse in Care

Appropriation Minister: Minister for Social Development and Employment

This new MCA was added through the Vote Social Development Supplementary Estimates of Appropriations 2024/25.

The performance information included for this MCA is a replication of the performance information stated for the Historic Claims Multi-Year Appropriation on pages 56 to 57.

Overarching purpose statement: The single overarching purpose of this appropriation is to enable the Government's response to redress recommendations made by the Royal Commission of Inquiry into Abuse in Care.

What is intended to be achieved with this appropriation: This appropriation is intended to enable the Government's response to redress recommendations made by the Royal Commission of Inquiry into Abuse in Care.



Achieved 3 out of 3 performance measures

This appropriation contains one departmental output expenses and one non-departmental other expenses category.

Departmental Output Expenses

Delivering redress for abuse in care

Scope of appropriation: This category is limited to responding to, designing, implementing and delivering redress for abuse in care.

What is intended to be achieved with this appropriation: This category is intended to design and deliver a well-functioning redress system.

Non-Departmental Other Expenses

Redress Payments

Scope of appropriation: This category is limited to providing financial redress to people who experienced abuse in state care.

What is intended to be achieved with this appropriation: This category is intended to provide consistent and timely payments to people who have experienced abuse in care.

Performance information

2023/24 Actual	Measure	2024/25		
		Standard	Actual	Status
Overarching Measure				
1,031	The number of assessments completed during the year will be no less than (Disclosure 1)	1,090	1,129	✓
Departmental Output Expenses				
Delivering redress for abuse in care				
97.8%	The percentage of claimants who receive a settlement offer within three months following their decision to choose a rapid payment will be no less than (Disclosure 1)	95%	97.4%	✓
77.5%	The percentage of claimants who report they agree or strongly agree that they felt respected in their interaction with Historic Claims, and that their options were clearly communicated to them, will be no less than (Disclosure 1)	80%	89.9%	✓

The standard was significantly exceeded. In 2023/24, we received feedback from claimants that the intention of the survey statements was not clear and they were being interpreted differently to what was intended. In response to this we amended the survey instructions to provide clearer information about the survey and its purpose. The improved results show that these improvements have been effective, and claimants' responses suggest that they understand the survey's purpose.

Non-Departmental Other Expenses

Redress Payments

An exemption from performance reporting was granted under section 15D(2)(b)(ii) of the Public Finance Act 1989.

Disclosure 1: These measures have been added to provide performance information for this new MCA. These measures replicate the current measures in the Historic Claims appropriation for 2024/25 (see pages 56 to 57).

Financial information

2023/24	Financial performance	2024/25		
Actual	(Figures are GST exclusive)	Budgeted	Revised	Actual
\$000		\$000	\$000	\$000
Departmental Output Expenses				
	Revenue from Crown			
-	Delivering Redress for Abuse in Care	-	3,081	3,081
-	Total Revenue	-	3,081	3,081
-	Total Expense	-	3,081	159
-	Net Surplus/(Deficit)	-	-	2,922

2023/24	Financial performance	2024/25		
Actual	(Figures are GST exclusive)	Budgeted	Revised	Actual
\$000		\$000	\$000	\$000
Non-Departmental Output Expenses				
-	Redress Payments	-	35,008	35,008
-	Total Expense	-	35,008	35,008

Multi-Category Appropriation: Supporting tāngata whaikaha Māori and disabled people

Appropriation Minister: Minister for Disability Issues

Overarching purpose statement: The single overarching purpose of this appropriation is to support tāngata whaikaha Māori and disabled people and their families to create good lives for themselves.

What is intended to be achieved with this appropriation: The intention of this appropriation is to support tāngata whaikaha Māori and disabled people and their families to create good lives for themselves. That support should be delivered in ways that align with the Enabling Good Lives principles: self-determination, beginning early, person-centred, ordinary life outcomes, mainstream first, mana enhancing, easy to use, and relationship building. Support in this context is broad and includes work to support the networks that disabled people and their whānau belong to.



Achieved 6 out of 12 performance measures

The DSS function transferred from Whaikaha – Ministry of Disabled People to MSD on 16 September 2024. The results reported below cover performance for the 2024/25 financial year. This covers the period disability support services were provided by Whaikaha (1 July 2024 to 16 September 2024) and MSD (17 September 2024 to 30 June 2025).

On 1 December 2024, Whaikaha – Ministry of Disabled People was formally disestablished as a departmental agency and became a standalone ministry with its own Vote.

In line with this change the following changes have been made through the Vote Social Development Supplementary Estimates of Appropriations 2024/25:

- Two performance measures (relating to the quality of policy advice and ministerial satisfaction with policy advice) were transferred from this appropriation to Vote Disabled People. These measures are to be reported in the Whaikaha – Ministry of Disabled People Annual Report 2025.
- Two new measures were added: an overarching measure; and a measure for the new category ‘Sustainability of Disability Support Services’.

Our focus during this financial period has been to improve the sustainability of DSS, prioritising the implementation of the June 2024 Independent Review recommendations of Disability Support Services recommendations and undertaking the capability uplift work programme in response to the May 2024 Rapid Assurance Review report.

Work to refresh the DSS performance information is being progressed as part of the strengthening work programme.

This appropriation contains three departmental output expenses, five non-departmental output expenses and one non-departmental other expenses category.

Departmental Output Expenses

Connecting people with supports and communities

Scope of appropriation: This category is limited to the provision, purchase, and support of services connect disabled people and their whānau to supports, information, and their communities.

What is intended to be achieved with this appropriation: This category is intended to support tāngata whaikaha Māori and disabled people, and their whānau, to be connected to supports and information, and with their communities through connecting services.

Stewardship of the Disability System

Scope of appropriation: This category is limited to stewardship of the cross-government disability system and to provide advice and support to Ministers to discharge their portfolio responsibilities.

What is intended to be achieved with this appropriation: This category is intended to support the leadership of the cross-government disability system by providing insights and advice through partnership, and the governance and management of disability support services.

Sustainability of Disability Support Services

Scope of appropriation: This category is limited to activities supporting the sustainability of Disability Support Services.

What is intended to be achieved with this appropriation: This category is intended to improve delivery of disability support services for disabled people and their families.

Non-Departmental Output Expenses

Community-based support services

Scope of appropriation: This category is limited to the provision, purchase, and support of services for disabled people living in a community-based setting.

What is intended to be achieved with this appropriation: This category is intended to enable community-based tāngata whaikaha Māori and disabled people to live good lives through the payment and/ or provision of supports such as person directed budgets, supported independent living, personal care, household management, respite care, carer- support, and behavioural supports.

Connecting and strengthening disability communities

Scope of appropriation: This category is limited to the provision, purchase, and support of services that connect disabled people and their whānau to supports and information and strengthen their communities.

What is intended to be achieved with this appropriation: This category is intended to support tāngata whaikaha Māori and disabled, and their whānau people to access services and information by investing in provider and workforce capability, Needs Assessment and Service Coordination agencies (NASCs), and Disability Information and Advice Services (DIAS).

Early intervention support services

Scope of appropriation: This category is limited to the provision, purchase, and support of services for disabled people who are early in life, in life transitions, or in vulnerable situations.

What is intended to be achieved with this appropriation: This category is intended to achieve early intervention supports for tāngata whaikaha Māori and disabled people who are early in life, in life transitions, or in vulnerable situations, to enable them to live good lives.

Environmental support services

Scope of appropriation: This category is limited to the provision, purchase, and support of environmental support services for disabled people.

What is intended to be achieved with this appropriation: This category is intended to enable tāngata whaikaha Māori and disabled people to live good lives by providing supports to minimise the negative impacts of environmental barriers.

Residential-based support services

Scope of appropriation: This category is limited to the provision, purchase, and support of services for disabled people living in a residential-based setting.

What is intended to be achieved with this appropriation: This category is intended to enable residential-based tāngata whaikaha Māori and disabled people to live good lives through the payment and/or provision of accommodation costs, living costs, support costs (including Sleepovers), behavioural supports, and the cost of day services and vocational services.

Non-Departmental Other Expenses

Community Capacity and Support

Scope of appropriation: This category is limited to providing financial assistance towards building capacity and support within disabled communities.

What is intended to be achieved with this appropriation: This category is intended to achieve increased participation and contribution by disabled people by supporting the networks that disabled people and their whānau belong to through the use of community grants and community-led solutions.

Performance information

2023/24 Actual		2024/25		
		Standard	Actual	Status
Overarching Measure				
New measure	The number of eligible people accessing disability support services will be no less than (Disclosure 1 and Note 1)	50,000	55,982	✓
People are eligible for disability support funded by DSS generally if they have a long-term intellectual, physical or sensory disability, including autism, that arises before they turn 65, which lasts longer than six months and requires ongoing support to live independently.				
The standard was significantly exceeded. Demand for disability support services has grown year on year. The greatest growth in people accessing disability support services is for people with autism or with an intellectual impairment as their principal impairment.				
Departmental Output Expenses				
Connecting people with supports and communities				
Enabling Good Lives (EGL) Christchurch Demonstration				
Achieved	The EGL approach (access to an EGL connector and a flexible, personalised budget) is made available to 98 percent of eligible Ongoing Resourcing Scheme (ORS) verified students in Christchurch (Note 2)	Achieved	Not Achieved	✗
The standard was not met. At 30 June 2025, 85.5 percent of ORS students in Christchurch had access to a connector and a personal budget. There has been an increase in new ORS referrals during the year, which is also consistent with increased demand for Early Intervention Services. Processes to manage the increase in demand are being put in place.				
Mana Whaikaha				
100%	Access to Enabling Good Lives budgets (Personal Budget, Early Investment and Immediate Resourcing) and support are made available to 99 percent of eligible disabled people who submit an Enabling Good Lives Proposal to Mana Whaikaha	99%	100%	✓
Stewardship of the Disability System (Disclosure 2)				
Achieved	The Disability Support Services procurement process is in line with government standards (Note 3)	Achieved	Achieved	✓
96.2%	The percentage of complaints in regards to Disability Support Services (DSS) that receive either a resolution notification or progress update within 20 days of DSS receiving the complaint	95%	89.9%	✗
The standard was not met. We received 69 complaints regarding the quality of services delivered by DSS. Of these, seven complaints were not managed within the 20 working day timeframe. We are committed to strengthening the DSS complaints management processes. This includes implementing more automated tracking processes for complaints and addressing resource capacity to ensure key quality assurance functions are well supported.				
Sustainability of Disability Support Services				
New measure	The Disability Support Services Taskforce is on track to implement the recommendations of the 2024 Independent Review of Disability Support Services (Disclosure 3)	Achieved	Achieved	✓
The standard was met. In 2024, the Independent Review of Disability Support Services included seven recommendations, which were accepted by the Government. Four of the seven recommendations have been completed in 2024/25, as planned.				

2023/24 Actual	Measure	2024/25		
		Standard	Actual	Status
Non-Departmental Output Expenses				
Community-based support services				
33.9%	The percentage of self-directed funding arrangements to improve the person’s choice, control and flexibility (for example Choices in Community Living, Individualised Funding, Enhanced Individualised Funding, Flexible Disability Supports, Personal Budgets and Enabling Good Lives) within the total client population is greater than or equal to	10%	34.0%	✓
The standard was significantly exceeded. Disabled people are increasingly seeking greater choice, control and flexibility in the support services they receive.				
Connecting and strengthening disability communities				
41.3%	All new eligible Disability Support Services clients are assessed within 20 days of referral is equal to or greater than	80%	41.6%	✗
82.8%	All new Disability Support Services clients assessed as being eligible for MSD-funded support are provided with their support options within 20 days of assessment is equal to or greater than	85%	74.7%	✗
The standard for these two measures was not met. Demand for disability support services continues to grow and this has contributed to the below standard timeliness performance. In 2024/25, there were approximately 6,500 new or returning disability support service clients.				
Of this, approximately:				
2,600 were assessed within 20 days of referral 4,600 were provided with their support options within 20 days of assessment.				
A core function of NASCs and EGL is to ensure people with the highest needs are prioritised and receive access to services within budget. A new NASC Performance Framework was approved in December 2024. The Framework has been applied since January 2025 to support DSS to manage and monitor both financial and quality system performance. Providers continue to prioritise access to service but have indicated that, in some circumstances, demand for services has been beyond resource.				
We continue to work closely with NASCs to support consistent, timely and needs-responsive service delivery.				
Early intervention support services				
68%	The percentage of those disabled people who were referred to a Behaviour Support Treatment Programme and completed it is greater than or equal to	75%	63.2%	✗
The standard was not met. Demand for early intervention support services, including Behaviour Support services provided by DSS, continues to grow and has contributed to delays in disabled people accessing and completing programmes.				
We are working to improve performance. Early intervention support services budgets have increased for 2025/26 to meet the change in demand and cost to provide these services.				
Environmental support services				
73.6%	The percentage of equipment available and supplied from Disability Support Services’ standardised equipment list to ensure value for money is greater than or equal to (Note 4)	75%	74.4%	✗

2023/24 Measure Actual		2024/25		
		Standard	Actual	Status
The standard was nearly met. Performance was 0.6 percentage points below standard and has improved from 2023/24. Equipment and modification services have different eligibility criteria from other DSS services in that it includes age-related disabilities. Variable wait times for support equipment and housing modifications may occur for a range of reasons, including the availability of both suitable equipment and building contractors. In March 2024, a prioritisation framework was introduced to identify urgency and risk in relation to equipment and modification requests, so solutions are available for those with the highest need. Environmental support services budgets have also increased for 2025/26 to meet the change in demand and cost to provide these services.				
Residential-based support services				
86.3%	Percentage of Disability Support Service clients moving from mainstream residential service to community support services increases over time so that the percentage receiving community support services is greater than or equal to	77%	86.3%	
The standard was significantly exceeded. The result is consistent with long-term trends for residential care, which show that people are exiting residential care in greater numbers than those entering.				
Non-Departmental Other Expenses				
Community Capacity and Support				
An exemption from performance reporting was granted under section 15D(2)(b)(iii) of the Public Finance Act 1989.				
Disclosure 1: An overarching measure was added to align with performance reporting requirements. Disclosure 2: In 2024, two measures (relating to the quality of policy advice and ministerial satisfaction with policy advice) were transferred from this appropriation to Vote Disabled People. These measures will be reported in the Whaikaha – Ministry of Disabled People Annual Report 2025. Disclosure 3: A measure was added to provide performance information for this new category established in 2024/25. Measuring the progress of the implementation of the independent review recommendations was chosen as the most appropriate type of measure to cover the intention of the funding. Note 1: This measure counts the number of clients who access disability support services via NASC agencies or an EGL site at a point in time. It excludes environmental support services and child development services. Note 2: ORS-verified students aged 14 plus are eligible for the EGL approach in the Christchurch demonstration. Note 3: This measure considers whether the departmental expenditure procurement process is aligned with the Government Procurement Rules. Note 4: Disability Support Services’ equipment is categorised into three bands. The standardised equipment list refers to ‘band one’ equipment which includes items that: • meet the needs of a wide range and large number of disabled people, and • are low cost (generally less than \$1,000 excl. GST), and • are durable and the majority can be reissued in a cost-effective way.				

The following information is provided for context:

	2024/25
Non-Departmental Output Expenses (Note 1)	
Self-directed funding	
Number of disabled people receiving self-directed funding (as at 30 June) (Note 2)	19,008
Early intervention support services	
Number of disabled people referred to Behaviour Support Treatment Programmes	2,329
Residential-based support services	
Number of disabled people in mainstream residential service (as at 30 June)	7,665

Note 1: Contextual information was not published in 2023/24.

Note 2: This includes all flexibly funded services except Carer Support.

Financial information

2023/24	Financial performance	2024/25		
Actual	(Figures are GST exclusive)	Budgeted	Revised	Actual
\$000		\$000	\$000	\$000
Departmental Output Expenses				
Revenue from Crown				
12,385	Connecting People with Supports and Communities	15,774	12,774	12,774
59,017	Stewardship of the Disability System	52,905	40,662	40,662
-	Sustainability of Disability Support Services	-	12,100	12,100
71,402	Total Revenue	68,679	65,536	65,536
48,913	Total Expense	68,679	65,536	50,461
22,489	Net Surplus/(Deficit)	-	-	15,075

2023/24	Financial performance	2024/25		
Actual	(Figures are GST exclusive)	Budgeted	Revised	Actual
\$000		\$000	\$000	\$000
Non-Departmental Output Expenses				
826,564	Community-based Support Services	934,163	1,012,629	905,056
67,377	Connecting and Strengthening Disability Communities	75,171	66,901	62,507
59,804	Early Intervention Support Services	58,227	66,127	57,862
235,015	Environmental Support Services	253,501	245,001	233,793
1,091,337	Residential-based Support Services	1,200,690	1,148,293	1,103,850
Non-Departmental Other Expenses				
2,069	Community Capacity and Support	3,946	1,079	675
2,282,166	Total Expense	2,525,698	2,540,030	2,363,743

Organisational health and capability

Te hauora ā-whakahaere me te mātau

Our organisation

On 30 June 2025, MSD had 8,994 employees, which equates to 8,866 permanent and fixed-term full-time equivalents. The organisation is arranged into an Office of the Chief Executive, managed by a Director, and eight business groups:

- Disability Support Services
- Māori, Communities and Partnerships
- Organisational Assurance and Communication
- People and Capability
- Policy
- Service Delivery
- Strategy and Insights
- Transformation.

Each business group is led by a Deputy Chief Executive (DCE), who is a member of our Leadership Team (LT).

We have offices and service centres throughout New Zealand. Some services are also provided by phone and digital channels (such as our MyMSD online self-service portal).

We also provide our services through Heartland sites in rural and isolated communities.

Our organisational values

Our four values represent and underpin who we are and what we stand for (see Figure 6). Our values help us to align our daily actions with a common purpose and a shared understanding of what should guide our behaviour. Our people are committed to living our values.

Figure 6: Our organisational values



Manaaki

We care about the wellbeing and success of people



Whānau

We are inclusive and build a sense of belonging and place



Mahi tahi

We work together, making a difference for communities



Tika me te pono

We do the right thing with integrity

Governance and risk management

Governance

Our primary governance body is LT, comprising our Chief Executive and DCEs. LT's focus is on setting MSD's strategic direction, driving organisational performance, overseeing organisational risk and assurance, managing finances, and leading a positive culture to support quality decision making.

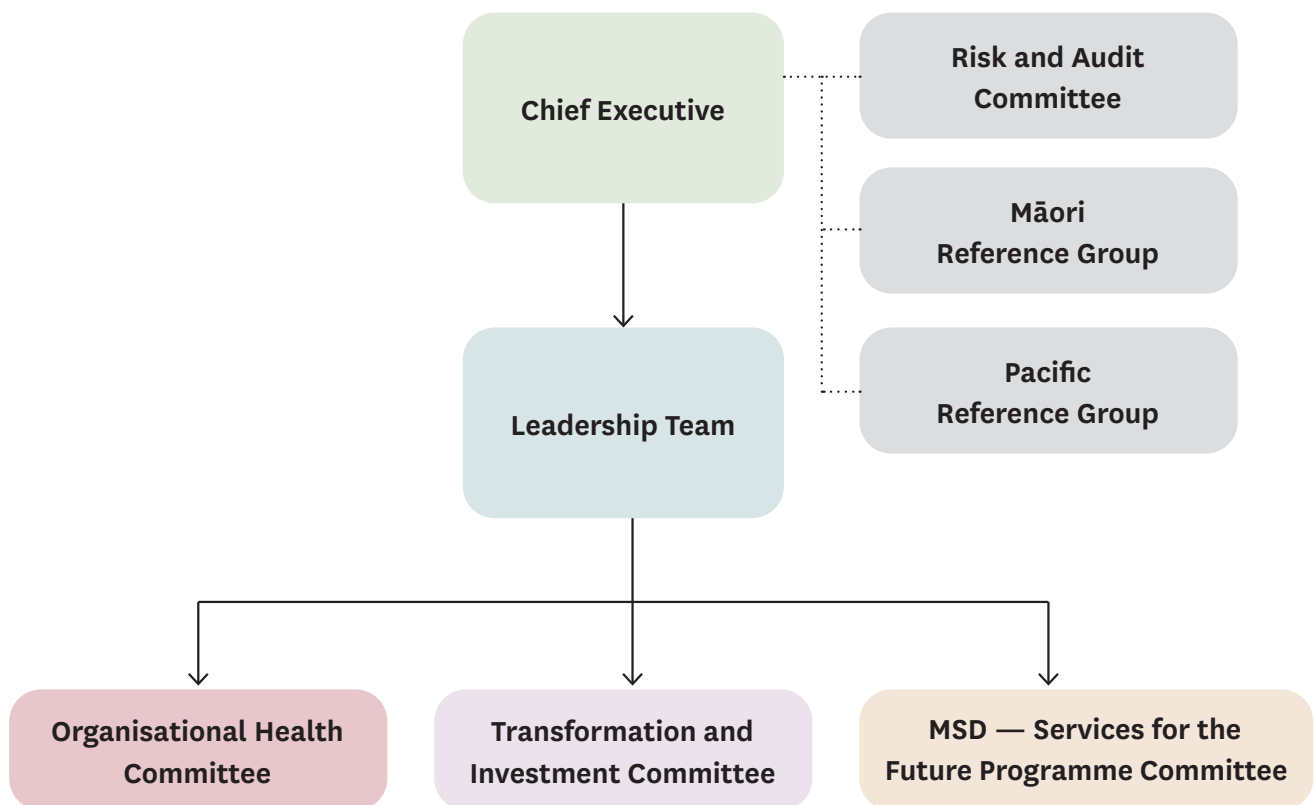
LT is supported by three other committees (see Figure 7). These are led by members of LT and include senior leaders from across the organisation:

- The Organisational Health Committee ensures the high-level design and health of key corporate services, systems, capabilities and infrastructure are aligned, and support optimal functioning and performance.
- The Transformation and Investment Committee ensures that MSD's investments are robust, future focused, strategic and effective, and that our organisational performance supports delivery to our purpose and outcomes.
- The MSD – services for the future Programme Committee, formerly Te Pae Tawhiti Transformation and Investment Committee, provides programme governance to MSD's organisational transformation programme. Six internal members are complemented by four independent external advisors who bring experience in significant transformation programmes from the public and private sector.

Our Chief Executive is supported by three independent advisory groups (see Figure 7) consisting of external members:

- The Risk and Audit Committee provides advice to the Chief Executive on risk, assurance and auditing requirements.
- The Māori Reference Group provides advice on the design and implementation of strategies and policies that impact the social outcomes of Māori, whānau, families and communities.
- The Pacific Reference Group provides advice on the design and implementation of strategies and policies that impact the social outcomes of Pacific peoples, families and communities.

Figure 7: MSD governance framework



MSD Risk Management Policy

MSD's Risk Management Policy outlines the expectations, accountabilities and responsibilities of MSD staff. It is supported by a risk framework that provides tools, templates and guidance that ensure a consistent approach.

The policy ensures that:

- staff have a proactive approach to risk management in their day-to-day work
- risk management is considered in design, development and delivery decisions across all levels of MSD.

Our people

Our People Strategy – He Korowai Manaaki

Our People Strategy sets out the people-related actions we will take to achieve our key organisational strategies: Te Pae Tawhiti – Our Future, Te Pae Tata and Pacific Prosperity. The four components of the strategy outline what we need to do to be successful in an ever-changing environment, how we can work in new and different ways, and how we want our people to experience working and leading others at MSD. These components are:

- capability building – we have the capability to perform to our potential, now and in the future
- leading for performance – our leaders develop and nurture people and teams to deliver high levels of performance
- client and whānau-centred – we design our work, roles and organisation to deliver for our clients and whānau
- positive experience – our people have an experience at work that enables them to reach their potential and be included, safe and well.

Workplace relations

We continue to work with our union partners. We regularly engage with the Public Service Association (PSA) as the main union that represents our employees. We engage with PSA delegates at local and national levels. We also work constructively with the Work and Income Northland Staff (WINS) union, which has members based in Northland.

Preparation commenced in 2024/25 for bargaining of the Service Delivery, National Office Ministry of Youth Development and Work and Income Northland Staff collective agreements, which all expired on 2 April 2025. The three agreements were ratified by June 2025. These agreements cover approximately 82 percent of our workforce.

The Managers and Senior Specialists collective agreement expired on 30 June 2025. Bargaining commenced in July 2025. Approximately 12 percent of employees are covered by this agreement.

Continuing to adapt to our environment

In the last quarter of 2023/24, MSD went through a change process that impacted a number of employees as part of our commitment to the Government to reduce our spend. Decisions were confirmed on 26 June 2024, with those changes being embedded in the first quarter of 2024/25.

In the last quarter of 2024/25, we initiated consultation on further change processes across the following business groups in line with their work programmes and priorities:

- Organisational Assurance and Communication (Information, Legal)
- Transformation (Improvement, Systems and Technology; Transformation Office)
- Disability Support Services.

These proposed changes will be finalised following consultation in 2025/26.

Other reporting requirements

Ētahi atu herenga tuku pūrongo

Treaty settlement commitments

Enhancing oversight of Treaty settlements: He Korowai Whakamana

He Korowai Whakamana is a Cabinet-agreed framework for achieving oversight and enhancing accountability for the Crown's Treaty settlement commitments. It requires core Crown agencies to record and track the status of their settlement commitments and report annually on them.

Te Haeata – the Settlement Portal is used by agencies to raise the visibility of settlement commitments and to record whether each of their commitments is complete, on track, yet to be triggered or having delivery issues.

The status of MSD's Treaty settlement commitments

MSD is responsible for a variety of Treaty settlement commitments. Most relate to relationship redress and the transfer of settlement properties.

As at 30 June 2025, MSD was responsible for 83 Treaty settlement commitments (see Figure 8).

Figure 8: The status of our Treaty settlement commitments



Ninety-five percent of commitments we are responsible for (79 commitments) have been completed or are on track. A small proportion of our commitments (5 percent or four commitments) is yet to be triggered.

Māori–Crown relations capability

MSD continues to build and strengthen our capability and understanding of te reo Māori and tikanga via our Whāinga Amorangi development plans. This enables enduring and authentic partnerships with iwi, hapū, Māori organisations, Ministers, and other stakeholders across the motu.

We demonstrate and apply this capability through, for example, our ongoing dedication to our post-settlement commitments, including the lead role we play in relation to the following:

- **Te Hiku Accord:** a partnership focused on whānau wellbeing and iwi development.
- **He Tapuae:** the Tūhoe Service Management Plan: a post-settlement relationship built on enduring collaboration.

- **Pou Tangata:** supporting work with iwi chairs.
- **Koiora Accord:** a relationship focused on improving employment, education and housing outcomes.

The work we do aligns with Te Pae Tata – MSD’s Māori Strategy and Action Plan – to support Māori perspectives in decision making, service design, and strategic direction.

We have reviewed our Whāinga Amorangi plans to confirm alignment between intent and delivery, ensuring our reporting reflects real impact. We also use the Whāinga Amorangi framework across our wider workforce, which aims to lift our Māori cultural capability (both at individual and organisational levels) through targeted activities such as workshops, online training and other development opportunities.

In 2024/25, our staff participated in 1,200 formal cultural development opportunities to build confidence in understanding how Te Tiriti o Waitangi responsibilities apply to their work, and feel encouraged and supported to engage with Māori and Māori perspectives.

Māori language planning – Te reo Māori revitalisation

Building te reo Māori capability within MSD helps deliver inclusive and culturally responsive services. This commitment aligns with Maihi Karauna – the Crown’s Strategy for Māori Language Revitalisation – Te Ture mō Te Reo Māori 2016, and Te Pae Tata – MSD’s Māori Strategy and Action Plan.

MSD’s approach includes integrating Māori language planning across business groups and regions. We currently have four Regional/Business Unit Te Reo Māori Language Plans in place. MSD promotes a range of learning resources to deepen understanding of te reo and tikanga Māori. These efforts are supported by initiatives such as the Kimihia mobile app.

Equal employment opportunities

We are committed to equal employment opportunities (EEO), so that our staff continue to reflect the values and composition of the communities we work with.

Our EEO policy is designed to ensure that we support and promote equal employment opportunities. The policy provides the guiding principles and outlines the responsibilities for managers, human resources and staff.

This policy is part of MSD’s Equality and Diversity Commitment and adheres to the Public Service Commission Model Standards. The Model Standards set out the Public Service Commissioner’s minimum expectations for staff and organisations in the public service to ensure positive and safe workplaces.

EEO principles are built into all of our people policies and guidelines. We continue to monitor our pay gaps and organisational ethnicity and gender metrics to ensure that we are aligned with our own policies and guidelines.

As a part of a wider update of our Human Resources policies, we are continuing to review our EEO policy. We plan to complete this in the coming year.

Workforce diversity

It is critical for our success as an organisation that our workforce reflects the diversity of the people we serve.

Our workforce diversity programme

MSD has a comprehensive workforce diversity programme, which allows a focus on areas of opportunity to continue to provide a safe and supportive work environment for all our people. Our workforce diversity plan for 2024/25 (MSD's Gender and Ethnic Pay Gap Action Plan 2024/25) can be found online: www.msd.govt.nz/about-msd-and-our-work/publications-resources/corporate/gender-pay-gap-action-plan/2024-2025/index.html.

Our workforce diversity direction is in line with the Papa Pounamu work programme, led by the Public Service Commission.

We have an extensive range of training and development programmes and resources, including:

- training to build awareness of unconscious bias in the workplace
- te ao Māori training and development opportunities
- Te Pātaka, our storehouse of learning and resources
- MSD's mentoring programme, successfully run in partnership with employee-led networks, regions and business units.

We have 39 employee-led networks that promote and support the goals and needs of our employees and play an integral part in helping MSD to build a more inclusive workforce.

Demographic profile and pay gaps

MSD continues to focus on mitigating any gender and ethnic pay gaps. In part, we are doing this by addressing occupational division, which is over- or under-representation of some ethnic groups in specific types of jobs, following the guidance provided by the Public Service Commission.

We have been formally addressing internal gender pay gaps since 2017 and tracking gender-ethnic pay gaps since 2018.

Progress against our action plan over the last 12 months included:

- strengthening our talent and succession practices with a focus on talent management
- expanding our mentoring programme to include more cohorts across MSD
- implementing a fit-for-purpose senior manager remuneration framework
- supporting our Rainbow Community by completing the Pride Pledge independent evaluation process and being rated as 'leading', and having robust practices and a sustainable platform in place.

Ethnicity

Māori, Pacific and Asian representation in MSD is higher than in the New Zealand public service as a whole, in line with what we have seen in previous years. There are generally no ethnic pay gaps within same or similar roles, or across most pay bands. Figure 9 outlines the ethnicity demographic across the organisation and in senior management, and the ethnicity pay gap.

To address occupational division, several key focus areas and projects are working on the remaining gender and ethnic pay gaps following previous Public Service Commission guidance. These include:

- transparency
- equitable pay outcomes
- leadership representation
- effective career and leadership development
- addressing all forms of bias and discrimination.

Figure 9: Ethnicity demographic and pay gap data as at 30 June 2025

Ethnicity demographic across the organisation

	Headcount	European	Māori	Pacific	Asian	MELAA (Note 1)	Other	Unknown/ Undisclosed
Total	8,994	4,745	2,015	1,552	1,583	170	77	670
% of entire workforce with ethnicity disclosed (Note 2)	N/A	57.0%	24.2%	18.6%	19.0%	2.0%	0.9%	N/A

Ethnicity demographic breakdown of senior management (Note 3)

	Headcount	European	Māori	Pacific	Asian	MELAA (Note 1)	Other	Unknown/ Undisclosed
Total	80	62	16	9	2	0	1	7
% of senior management with ethnicity disclosed (Note 2)	N/A	84.9%	21.9%	12.3%	2.7%	0%	1.4%	N/A

Ethnicity pay gap

	Māori	Pacific	Asian	MELAA (Note 1)
Pay gap mean (%)	5.1%	10.8%	10.7%	2.5%
Pay gap median (%)	0%	5.4%	7.6%	4.7%

Note 1: Middle Eastern, Latin American and African.

Note 2: We allow the option to select more than one ethnicity, so the numbers do not match the total headcount and percentages will not equal 100 percent.

Note 3: Senior management is exclusive of the Chief Executive as they are not employed by MSD.

Gender

Over the past year, MSD has continued to reduce the gender pay gap. As at 30 June 2025, the pay gap has decreased to 8.9 percent, compared to last year (9.7 percent), and down from 15.1 percent in 2018. Figure 10 outlines the gender demographic across the organisation and in senior management, and the gender pay gap.

Nearly 70 percent of MSD employees are female and a higher proportion work in our lower-paid roles, which impacts the overall pay gap. There are generally no gender pay gaps within the same or similar roles, or across most pay bands.

Figure 10: Gender demographic and pay gap data as at 30 June 2025

Gender demographic across the organisation

	Male	Female	Another Gender	Unknown/ Undisclosed
Total	2,753	6,191	32	18
% of entire workforce	30.6%	68.8%	0.4%	0.2%

Gender demographic breakdown of senior management (Note 1)

	Male	Female	Another Gender	Unknown/ Undisclosed
Total	30	50	0	0
% of senior management	37.5%	62.5%	0%	0%

Note 1: Senior management is exclusive of the Chief Executive as they are not employed by MSD.

Gender pay gap

	Female
Pay gap mean (%)	8.9%
Pay gap median (%)	5.1%

Disability

While MSD does not require people to declare their disability status, we are in the planning stages of work to improve the data we do have. This will help us to identify possible improvements in support and decision-making for employees with disabilities.

Health and safety

Governance and management

The Health, Safety, Security and Wellbeing (HSSW) requirements and duties that MSD operates under are set out in the Health and Safety at Work Act 2015 (HSWA) and the Protective Security Requirements (PSRs).

Foundational frameworks, policies and guidelines are embedded across the organisation to support our people to deliver services to the public in a way that keeps everyone safe.

LT receives regular detailed reports that give them the information required to discharge their due diligence duties as Officers under the HSWA and to confirm that MSD is meeting the PSRs.

HSSW policies are reviewed and refreshed every two years. The review process provides opportunities for staff feedback, and policies are confirmed in consultation with our National Health and Safety Committee before sign off by either the DCE Organisational Assurance and Communication or the Organisational Health Committee.

Worker participation

Our biennial Worker Participation Agreement with the PSA outlines the parties' commitment to ensuring the health and safety of all workers. It also provides direction on the election of Health and Safety Representatives (HSRs) and the establishment of workplace health and safety committees. HSRs receive training to fulfil their roles under HSWA and provide valued input into risk assessments, policies and processes. The Collective Employment Agreement agreed with the PSA in June 2025 introduced a new annual allowance for all HSRs to acknowledge the value of their role at MSD.

Staff wellbeing

Our people's wellbeing is a priority for MSD. We have a steering group, Pā Harakeke, which provides strategic oversight of MSD's workplace wellbeing approach and work programme so we can continue to grow our maturity in this area.

Initiatives focused on supporting our people include mental health and wellbeing education, access to health benefits (such as flu vaccinations and vision care), peer support networks, and confidential counselling and coaching services.

MSD recognises work-related psychosocial risks as a critical risk and has dedicated roles providing strategic leadership to support workplace wellbeing. They focus on:

- supporting MSD to identify the aspects of work that affect mental wellbeing
- applying industry best practice risk management approaches to mitigate identified work-related psychosocial risks
- building the awareness and capability of managers and all staff to support and enable mental wellbeing for our people.

Engagement is currently underway on MSD's workplace wellbeing strategy and action plan, both of which will be finalised in 2025.

Staff safety and security

Delivering face-to-face services carries risk to the physical and mental wellbeing of our people. As the frequency of client engagement increases, staff are reporting corresponding increases in the number and severity of incidents, both in person and by telephone.

Our security approach is designed around the principles of detect, deter, delay and respond, and these principles underpin all operational decisions affecting staff safety. All reported security incidents are investigated, using the Incident Cause Analysis Method for more serious events. Improvements to our controls are recorded in a register following investigations into incidents, and are tracked and reported on. Lessons from these incidents inform continuous improvement through training, awareness and guidance.

The national multi-year programme of work to install an enhanced security layout in all our service centres (Service Centres for the Future) has now been successfully completed. All 122 sites in scope were either refurbished with new security features or relocated to purpose-built facilities.

MSD undertakes regular threat and risk assessments resulting from serious incident investigations and emerging trends to ensure we are doing what is reasonably practicable to keep staff safe.

Our HSSW training framework is designed to build the safety and security capabilities of all staff and people leaders. It equips staff with core security knowledge and awareness, reinforced through regular mandatory safety drills that draw on the experience of actual security events.

Each year a sample of sites is audited for the Accident Compensation Corporation's (ACC) Accredited Employers Programme (AEP). The AEP is supplemented by our own assurance processes, which include in-person reviews of the security controls for all client-facing sites.

Carbon Neutral Government Programme reporting

We continue to reduce our carbon emissions and have introduced more sustainable business practices to support the Carbon Neutral Government Programme (CNGP).

We have exceeded our 2025 target to reduce emissions by 21 percent compared to our 2018/19 base year of 6,337.3 tonnes of carbon dioxide equivalent (tCO₂e), achieving a 28 percent decrease. Our next target is to reduce emissions by a further 21 percent by 2030, making a total reduction of 42 percent from our base year. This year, our emissions are 10 percent less than in 2023/24.

Emissions profile

Figure 11 provides a profile of our emissions by scope and source.

We have reduced emissions across our key sources of emissions, including air travel and associated accommodation, vehicle fleet and postage. While our electricity and gas consumption has decreased, there was an increase in the electricity factor (the emissions produced from each unit of electricity used) which is used to calculate MSD's electricity emissions.

The emissions profile for 2024/25 includes emissions associated with Disability Support Services. Our emissions reporting aligns with central agency CNGP guidance, and our 2024/25 data has been independently verified by Opportune NZ.

Figure 11: MSD emissions profile

Emission source	Scope emissions (tCO ₂ e)
Scope 1 – direct greenhouse gas emissions	
Natural gas	40.6
Petrol use	428.1
Refrigerants	25.9
Scope 2 – electricity indirect greenhouse gas emissions	
Electricity	1,449.3
Scope 3 – other indirect greenhouse gas emissions	
Domestic accommodation	79.7
Domestic air travel	675.2
Electricity - offsite EV charging	0.8
Electricity transmission and distribution losses	109.9
Freight	21.1
International accommodation	1.7

Emission source	Scope emissions (tCO ₂ e)
International air travel	25.2
Mileage	22.3
Natural gas transmission and distribution losses	1.3
Paper use	0.2
Postage	829.3
Purchased goods	188.9
Rental vehicles	41.2
Taxi	16.3
Waste to landfill	362.2
Water supply/wastewater	42.3
Working from home	196.5
Total emissions under CNGP mandatory reporting	4,558.1 (Note 1)

Note 1: The numbers do not match the total due to rounding.

For the first time, this year our emission accounting includes additional non-mandatory emission sources under the CNGP. These emissions are not included in the scope of our reduction targets as we have less direct control over them. The additional non-mandatory emissions are:

- staff commuting at 9,258.0 tCO₂e
- purchased goods and services at 1,729.1 tCO₂e.

These are approximate emission values calculated using New Zealand spend-based emission factors.

Reduction initiatives

In 2024/25, our key emission reduction initiatives focused on our top four emission categories under mandatory CNGP reporting:

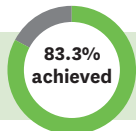
- **Travel:** reducing travel and accommodation requirements and implementing our Travel and Transport Policy changes introduced in 2023/24.
- **Energy:** reducing energy consumption and emissions by engaging with landlords to improve building systems, including the installation of rooftop solar power, energy efficient lighting and improved heating, ventilation and air conditioning (HVAC) systems.
- **Fleet:** continuing to replace underutilised older vehicles, reduce the fleet size, and transition to lower emission vehicles (a mix of hybrid and electric vehicles).
- **Postage:** encouraging more clients to opt in to receiving digital correspondence from MSD instead of post.

Asset performance

MSD manages about \$279 million of departmental assets, made up of property, plant and equipment, and intangible assets.

The performance measures in Figures 12 and 13 allow us to assess how well we are meeting our expectations and objectives, both at an organisational and asset level. We review our measures and targets regularly to ensure they are fit for purpose.

Property assets



Achieved 5 out of 6 performance measures

MSD's property assets provide 150,000m² of floor space across the country to deliver our work. We also manage a further 24,000m² for other agencies under shared service agreements. This is a net reduction of 5,000m² over the last 12 months.

This space is key to engaging face to face with clients and includes 121 service centres (this excludes our Tāmaki Service Centre in Auckland, which is yet to be replaced after being destroyed by a fire in May 2025). It also includes contact centres, regional offices and our National Office. Most space is leased, with MSD only owning five buildings. Within the leased spaces, our assets are primarily fit-outs, furniture and security equipment.

To improve workspace efficiency, MSD reduced its Wellington National Office footprint in 2024/2025. This was achieved by relocating staff from 89 and 44 The Terrace, where the lease was relinquished, to 56 The Terrace. MSD continues to review options to optimise its property portfolio.

Three service centres have been relocated into newly built or refurbished premises: Kāpiti (Paraparaumu), Takapuna (Auckland) and Lower Hutt.

In May 2025, the service centre site in Tāmaki (Auckland) was destroyed by fire. Services are being provided from several nearby service centres while a longer-term solution is identified.

The Service Centres for the Future programme has been completed with all service centres now in a secure layout. Two sites (New Lynn and Thames) still have temporary layouts pending the completion of new sites in 2026.

Figure 12: Property asset performance measures

Actual 2023/24	Measure	Indicator	Standard 2024/25	Actual 2024/25	Status
21.8m ² /WP	Work-point density – MSD frontline sites (m ² /work point) (Disclosure 1 and Notes 1 and 2)	Utilisation	<28m ² /WP	21.1m ² /WP	✓
11.1m ² /WP	Work-point density – MSD Client Services Support (m ² /work point) (Disclosure 1 and Notes 1 and 2)	Utilisation	<15m ² /WP	10.8m ² /WP	✓
15.9m ² /WP	Work-point density – MSD Regional Offices and Training Suites (m ² /work point) (Disclosure 1 and Note 1)	Utilisation	<15m ² /WP	15.6m ² /WP	✗
While the standard has not been met, our performance has improved since last year. We have a work programme in place to optimise the Regional Office and Training Suite workspaces over the next two years which should see the utilisation improve.					
12.1m ² /WP	Work-point density – MSD National Office (m ² /work point) (Disclosure 1 and Note 1)	Utilisation	<15m ² /WP	12.6m ² /WP	✓
96.7%	Percentage of sites that have a security layout (Disclosure 1)	Functionality	100%	100%	✓
26	Number of sites with non-current security layout (Disclosure 1 and Note 3)	Functionality	0	0	✓

Disclosure 1: MSD's Asset Management Plan is reviewed annually to ensure it remains suitable and aligned to government standards. As a result, our property asset performance indicators were refreshed for 2024/25. The previous utilisation measures have been separated into more detailed groupings to improve transparency. The previous condition and functionality indicators have been replaced with security layout-related functionality measures, which better align with the focus of our 2024/25 Asset Management Plan.

- Note 1:** Work-point density is the area (m²) of building floor space per work point (for example, desk).
- Note 2:** MSD frontline sites are our service centres, and MSD Client Services Support sites are our contact centres, centralised services, and integrity and debt teams.
- Note 3:** Non-current security layout sites are client-facing sites which do not have in place a ‘zoned’ security layout.

Technology assets



Achieved 3 out of 3 performance measures

MSD’s technology infrastructure has evolved incrementally to meet demands. While this has supported continuity, it has also resulted in a complex environment reliant on several core systems operating on aged platforms that have no future roadmap.

This means a disproportionate amount of effort is required to maintain system stability and security, which limits our ability to focus on higher-value, client-focused outcomes.

Despite these challenges, MSD has consistently delivered high system availability, with some core client-facing platforms operating 24/7. Over the past year, we have delivered a range of service and system enhancements, including the successful upgrade of our core client management system to a supported version.

We are progressing the implementation of Microsoft SharePoint as our enterprise document management platform. This shift will streamline collaboration, improve information security, and enable the retirement of multiple heritage systems reducing complexity and cost.

The section ‘Enabling MSD people to help New Zealanders’ on page 46 outlines more detail on our work progressing our transformation programme, MSD – services for the future.

Figure 13: Technology asset performance measures

Technology assets – Intangible – internally generated software

Actual 2023/24	Measure	Indicator	Standard 2024/25	Actual 2024/25	Status
99.9%	Proportion of time that core applications are available for use (Note 1)	Availability	>99%	99.8%	
95.95%	Proportion of Tier 1 software applications that are in support (Note 2)	Condition	>80%	93.2%	

Technology assets – Computer equipment

Actual 2023/24	Measure	Indicator	Standard 2024/25	Actual 2024/25	Status
74.89%	Proportion of IT disk storage capacity utilised	Utilisation	<85%	70.3%	

Note 1: Core applications are defined as systems, the criticality of which is such that any issue that occurs is resolved as a high priority.

Note 2: Tier 1 applications are those that are critical for the support of our services. In-support applications are supported by vendors through regular upgrades, and defect and security fixes. This is vital for enabling them to function correctly and securely.

Delegation of functions or powers under the Public Service Act 2020

During 2024/25, MSD's Chief Executive delegated no functions or powers to a person outside the public service under the Public Service Act 2020 or any other Act.

Child Protection Policy

MSD has a Child Protection Policy as required by the Children's Act 2014. The purpose of this policy is to promote the safety of the children we interact with by helping staff identify and respond to suspected abuse.

Under this policy, all staff are required to know that the policy exists and how to access it. The policy is published on the MSD website as required by the Act.

We refreshed our child protection guidance in 2023/24. Updated training was rolled out across the organisation in 2024/25, with 97 percent of staff having completed this. We have also updated internal guidance on information sharing under the Family Violence Act 2018 and the Oranga Tamariki Act 1989 to better support staff who identify suspected abuse to report it to the appropriate authorities.

Where MSD funds providers to deliver children's services, they are required to hold Level 2 or 3 accreditation with Te Kāhui Kāhu. Accreditation requires providers to be compliant with the Children's Act 2014, which also includes having their own child protection policy.

Oranga Tamariki System Action Plan

The Oranga Tamariki System Action Plan was published on 7 July 2022 alongside an associated Implementation Plan. The Action Plan sets out the steps that the Chief Executives of the children's agencies (including MSD), under the Children's Act 2014, will take in working together to improve the wellbeing of the core populations of interest to Oranga Tamariki – Ministry for Children.

The Action Plan requires approval from the Plan Minister (Minister for Children) after consulting with the children's Ministers. The content of the Action Plan covers areas such as protecting children and young people from abuse and neglect, improving their physical, mental health, cultural and emotional well-being, improving their education and training needs and participation in recreation and cultural services, strengthening their connection to their families, increasing their participation in decision making about them, and improving their social and economic wellbeing.

The Chief Executives of the children's agencies must jointly report to the Plan Minister on the progress of the Action Plan (currently every six months) and these implementation reports are publicly available on Oranga Tamariki's website at: www.orangatamarikiactionplan.govt.nz/mahi/implementation.

In March 2024, the Minister for Children agreed on a smaller set of priority areas with a focus on health, education and housing outcomes for children and young people in care, supported by improving data and information sharing practices across all three areas. The latest implementation report covers July to December 2024.

MSD services for victims

Under section 50A of the Victims' Rights Act 2002, MSD is required to report a summary of the services it provides to victims. MSD is also required to report statistical information about the number, type and nature of complaints from victims received under section 49 of this Act.

The services MSD provides directly for victims are:

- Are you OK, a website that provides victims/survivors of family violence, and people supporting them, with information on family violence and how to access support around New Zealand.
- The Family Violence Intervention Programme, which trains case managers to identify and respond appropriately to people who are living in or leaving violent family situations. It has Family Violence Co-ordinators in each region to provide support to all staff and liaise with local support services.

Figure 14 lists services provided to victims by third-party non-government organisations which receive funding from MSD. More information about the services available can be found on MSD's website.

MSD has not, to its knowledge, received any complaints from victims in 2024/25 of the type specified under section 49 of the Victims' Rights Act.

Figure 14: Services provided to victims by third parties

Services	Description
Child Advocates	This service provides specialist, child-focused support to children who have experienced family violence and is available in eight Women's Refuge sites across New Zealand.
Court Support Services	This service provides information, advocacy and psychosocial support for victims/survivors of sexual violence going through the criminal justice system. This includes supporting victims/survivors through both non-crisis engagement with the Police, and the trial and court process.
Disability Abuse Prevention and Response Service	This service aims to: • prevent issues of abuse and neglect happening • identify issues when they do happen • respond to issues that are found • develop and improve disability supports.
Elder Abuse Response Services	This service ensures that older people experiencing, at risk of experiencing, or perceived to be experiencing abuse and neglect, have timely access to appropriate local services that respond to ensure their immediate safety and support them to have greater control over their lives.
Family Violence Response Services	This service delivers whānau-centred, outcomes-focused and integrated services to people experiencing violence. This includes counselling, social work, support work, and Māori, Pacific and ethnic services.
Helplines	MSD funds multiple helplines and online support for people experiencing family violence, sexual violence and/or elder abuse. These services include: • Family Violence Information Line • Shine Helpline • 211 Helpline • Safe to Talk • Elder Abuse Helpline • Family Violence National Platform.
Integrated Community-led Responses	Family violence specialists provide integrated community-led responses to ensure that safe, effective and appropriate risk assessments, safety plans and referrals are being made at safety assessment meetings.
Kaupapa Māori Sexual Violence Services	A small number of providers are funded to deliver Kaupapa Māori sexual violence support services, piloting service guidelines for a Kaupapa Māori/Tangata Whenua Mahi Tūkino service.
Services for Male Survivors of Sexual Abuse	This service provides support to male survivors of sexual abuse to enable long-term recovery through peer support, case planning (understanding client needs and goals and putting a plan in place to achieve that), and information for male victims/survivors and their whānau and support networks.
Sexual Harm Crisis Support Services	This service provides psychosocial crisis support to victims/survivors of sexual harm through emergency face-to-face sessions (including crisis counselling), advocacy and support (including call-out) and crisis social work support.

Services	Description
Sexual Violence Long-Term Recovery	This service includes provision of psychosocial help to victims/survivors of sexual violence after crisis events, supporting whānau/family and social work.
Whānau Resilience	This service provides long-term healing and recovery for whānau affected by violence.
Women's Refuge	This is a nationwide service which provides safe houses, advocacy and support for women and children experiencing violence.

Approved Information Sharing Agreements (AISAs)

AISA between MSD, the Ministry of Education and Oranga Tamariki to support services for disengaged youth

MSD is the lead agency for the AISA with the Ministry of Education (MoE) and Oranga Tamariki for providing services to help disengaged youth move into education, employment or training. MSD must report annually on the following information specified by the Privacy Commissioner.

The NEET (Not in Education, Employment or Training) Service was established in 2012 within the Youth Service. Referrals to youth providers are generated by a statistical predictive modelling tool that identifies school leavers who may be at risk of long-term unemployment. The model considers the age of a young person, whether their parents are on a benefit, and their school history. Only young people with a risk rating of 'high' or 'very high' are referred to the service, so they can receive intensive support. Participation in the NEET Service is voluntary.

More information about the service and how the model works can be found on the Youth Service website: www.msd.govt.nz/about-msd-and-our-work/work-programmes/initiatives/phrae/youth-service-for-neet.html.

Figure 15: AISA 1 July 2024 to 30 June 2025**Scale**

2023/24		2024/25
44,695	Total MoE records received by MSD (Note 1)	45,266
16,701	Total Oranga Tamariki records used by MSD (Notes 1 and 2)	N/A
43,640	Unique students for whom profiles were created (Note 1)	44,301
43,640	- Of these, profiles that included information from MoE	44,301
16,061	- Of these, profiles that included information from Oranga Tamariki (Note 2)	N/A
33,098	- Of these, profiles that included information from MSD	38,400
5,244	'Most at risk' individuals identified and referred to external provider	4,426
5,244	- Of these, profiles that included information from MoE	4,426
5,062	- Of these, profiles that included information from Oranga Tamariki (Note 2)	N/A
5,194	- Of these, profiles that included information from MSD	4,342

Benefits

2023/24		2024/25
2,737	Active enrolment count of NEET clients at the beginning of the period	2,834
558	- Of these, enrolments from referrals using information combined to make a single profile (Note 1)	583
3,123	Count of NEET clients enrolled during period	2,152
714	- Of these, enrolments from referrals using information combined to make a single profile (Note 1)	603
2,837	Active enrolment count of NEET clients at the end of the period	1,753
583	- Of these, enrolments from referrals using information combined to make a single profile (Note 1)	371
3,644	Individuals re-engaged in education, training or work-based learning (Note 3)	3,433
590	- Of these, outcomes from referrals using information combined to make a single profile	633

Note 1: The number of enrolments includes some:

- that were triggered by a benefit being declined or cancelled – we are currently unable to separate these enrolments
- for clients who transferred between regions and for whom the original trigger may not have been the information from the NEET model – we are currently unable to determine the original trigger for these enrolments.

Note 2: In 2024/25, there was an update of the model that removed Oranga Tamariki data from the model. See further detail under 'Effectiveness of information sharing under the agreement' on page 134.

Note 3: The number of individuals includes current clients and those who exited the service during the year.

We make sure our model is accurate and its data is protected

We measure model accuracy each time the model is refreshed.

The 'threshold for referral' was reduced from the top 10 percent to top 5 percent of leavers with need for support. The number of places available in the Youth Service NEET programme was reduced through a phased reduction in contracted numbers. This change meant fewer young people could be enrolled, so the threshold was adjusted to reduce the number of young people referred to this programme.

The model was assessed in 2024/25 using lift at the top 5 percent threshold, which indicates how much better the model does compared to random decision-making. The model had a lift of 4.3, meaning it is 4.3 times better at identifying the correct young people than random selection.

The model is monitored fortnightly by a team of analysts, and no issues were detected with either the inputs or results. During the period, 9.8 percent of school leavers were referred to providers. This was in line with expectations, having accounted for the threshold change and seasonal patterns for school leavers.

We securely store the model and data outputs within the MSD data warehouse. No security problems were identified during the reporting year.

Effectiveness of information sharing under the agreement

Although the AISA has not changed this year, the update of the model in November 2024 removed Oranga Tamariki data from the model.

As part of the final phase of the Oranga Tamariki separation from using MSD hosted systems, the NEET model no longer uses Oranga Tamariki data to identify school leaver referrals to youth providers. Analysis of this change indicates no significant impact to the accuracy and quality of NEET reporting.

Information sharing provides a useful level of assurance that young people who have significant need for support (and who might not otherwise be identified by community providers) will be identified.

Number of complaints

No complaints were received in 2024/25 about any alleged interference with privacy under the agreement.

Amendments to the AISA since the last report

There have been no amendments to the AISA since the last report. MSD and Oranga Tamariki are working on an Information Sharing Agreement to replace the NEET data sharing aspect of the Overarching Agreement between MoE, Oranga Tamariki and MSD, which was signed in 2017. MSD expects to start receiving Oranga Tamariki data once the Information Sharing Agreement is signed and the technical build is completed. The NEET model will then be updated to include the Oranga Tamariki information.

AISA between MSD and the New Zealand Customs Service

MSD is the lead agency for the AISA with the New Zealand Customs Service (Customs) that permits and regulates the sharing of arrivals and departures information with MSD. The information shared under this agreement is used to verify the entitlement or eligibility of any client travelling overseas to receive a payment, to avoid overpayments and to enable recovery of debt. Figure 16 outlines the operation of this AISA in 2024/25.

The AISA allows MSD to suspend most payments without prior notice when information shared by Customs shows that a client has been overseas for longer than permitted by the eligibility rules that apply to that payment. The exceptions are payments for New Zealand Superannuation, Veteran's Pension, Student Allowance and non-beneficiary supplementary assistance where debt is created.

The report distinguishes between the impact of the match on current clients and that on former clients who are in debt to MSD and are identified in Customs data as having returned to New Zealand.

Figure 16: Operation of the AISA 1 July 2024 to 30 June 2025

Scale

2023/24		2024/25
12,638,812	Individuals whose travel movements were shared (Note 1)	13,137,093
125,135	Positive matches with MSD clients (Note 2)	141,128

Benefits

2023/24		2024/25
107,482	Notices of adverse action sent (Note 3), either prior to suspension ('prior notice') or at time of suspension ('immediate')	116,776
3,711	Immediate suspension of benefit where debt established (Note 4)	3,768
43,025	Immediate suspension of benefit where no debt established (Note 4)	46,797
15,110	Suspension of benefit following prior notice that resulted in debt (Note 4)	11,217
15,098	Suspension of benefit following prior notice that resulted in no debt (Note 4)	15,739
22	Challenges received (Note 5)	14
21	Challenges upheld	14
\$4,817,599	Total debt established as a result of information shared under the AISA	\$4,550,866

Actions taken to recover debt owed by former clients who arrive back in New Zealand

196	Notices of adverse action sent	263
9	Challenges received	0

2023/24	2024/25
9 Challenges upheld	0
30 Debtors under arrangement to pay	39
\$353,069 Balance owed under arrangement	\$298,767
\$22,088 Total debt recovered	\$54,249

Note 1: This represents the number of travel movement records shared. Each time someone goes through Customs represents one record. If someone travels overseas twice, passing through Customs four times during the period, this is four records.

Note 2: Clients may be included in this count multiple times, depending on their movements and the type of payment they receive.

Note 3: A client can potentially receive up to three adverse action letters in relation to one suspension. That is, for suspension of New Zealand Superannuation, a client may be sent a warning letter, a suspension letter and a debt letter.

Note 4: There are a small number of suspensions classified as following prior notice which were suspended immediately. We currently cannot separate these suspensions.

Note 5: A challenge process is available to remedy cases that may be mismatched each year. This year most discrepancies in matches related to a different date of birth or name. The challenges represent less than 1 percent of the overall match programme.

Effectiveness of information sharing under the agreement

During the 2024/25 reporting period, there were 3.9 percent more travel movements than the previous year and 12.8 percent more matches. These figures indicate that travel in the past year has been stable and the effectiveness of the information sharing under the AISA has returned to pre-COVID-19 levels.

Number of complaints

During 2024/25, there were 18 complaints about the match:

- One involved a New Zealand Superannuation client who believed they advised MSD of their travel before departing. A case was opened and the client was not happy with receiving a letter from an integrity team. No overpayment was established, and an apology was made to the client.
- One involved a New Zealand Superannuation client who queried why MSD could not resume their payments when they returned if MSD was aware of their departure. The client also asked why the Winter Energy Payment (WEP) could not be paid to their partner who remained in New Zealand. No overpayment was established, and the client was contacted and advised on how the matching process works, including that WEP is only paid to clients in receipt of a main benefit, New Zealand Superannuation or Veteran's Pension. The client's partner was not in receipt of any assistance from MSD during this time.
- Two involved clients who were identified as leaving New Zealand, but MSD was not advised they had returned due to a system error. Cases were opened, no overpayment was established, and apology letters were sent to both clients.
- The other 14 related to incorrect matches. All were investigated and corrected, and no privacy breaches were identified.

Assurance

An assurance review to assess the operation of the AISA was completed in September 2024. The review covered 1 July 2022 to 1 July 2024.

The scope of the review assessed whether controls are functioning as intended, remain sufficient to protect privacy, and identify any practical issues needing resolution. This included assessing:

- security procedures and privacy protections for personal information handling
- involvement of key teams, verifying their authorisation and adequacy of AISA-specific training
- MSD's assurance checks on information integrity and quality
- sample checks of information access logs to ensure compliance with the AISA
- effectiveness of privacy and security breach management processes.

Key findings and recommendations:

- The legislation referenced in the AISA and organisational processes are to obligations under the Privacy Act 1993. These now differ from current legal requirements and updated organisational processes that align with the Privacy Act 2020. Outdated references to the 1993 Act do not pose immediate privacy or security risk or affect the AISA's operational status. The review recommended that the AISA is updated to reflect the requirements of the Privacy Act 2020. MSD plans to review and update the AISA accordingly. The delivery date for this work has not been finalised.
- The technological process used for data matching, which employs computer systems and security procedures, is operating as intended in the AISA and organisational processes.
- Legacy systems which store information about matches function adequately but present an opportunity for optimisation. This will be addressed as part of MSD – services for the future (MSD's transformation programme).
- Customs and MSD maintain a strong relationship that supports the effective operation of this AISA.

Amendments to the AISA

There have been no amendments to the AISA since MSD's last Annual Report.

Financial statements

Ngā Tauākī Pūtea

Ministry of Social Development

Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2025

Actual 2024 \$000	Notes	Actual 2025 \$000	Unaudited Budget 2025 \$000	Unaudited Forecast 2026 \$000
Revenue				
1,789,929	Revenue Crown	1,640,399	1,647,122	1,670,054
21,831	Other revenue	22,862	20,356	23,439
(184)	Gain on disposal of property, plant and equipment	413	-	-
1,811,576	Total revenue	1,663,674	1,667,478	1,693,493
Expenses				
892,342	Personnel costs	855,035	858,697	841,888
81,712	Depreciation and amortisation expenses	86,378	90,965	76,790
16,913	Capital charge	16,177	18,576	18,598
737,980	Other operating expenses	673,385	699,240	756,217
3	Loss on non-fixed assets and foreign exchange	131	-	-
1,728,950	Total expenses	1,631,106	1,667,478	1,693,493
82,626	Net surplus/(deficit)	32,568	-	-
Other comprehensive revenue and expense				
<i>Item that will not be reclassified to net surplus/(deficit)</i>				
(297)	Gain/(Loss) on property revaluations	(939)	-	-
82,329	Total comprehensive revenue and expense	31,629	-	-

Explanations of major variances against the original 2024/25 budget are set out in Note 18. The accompanying notes form part of these financial statements.

Ministry of Social Development

Statement of Financial Position

As at 30 June 2025

Actual 2024 \$000		Notes	Actual 2025 \$000	Unaudited Budget 2025 \$000	Unaudited Forecast 2026 \$000
Equity					
317,726	Taxpayers' funds	14	336,624	323,382	338,731
33,648	Property revaluation reserves	14	21,824	33,945	33,648
351,374	Total equity		358,448	357,327	372,379
Assets					
Current assets					
147,573	Cash and cash equivalents		142,274	148,701	166,502
566	Accounts receivable	6	8,023	1,101	566
21,397	Prepayments		31,565	16,747	21,397
233,282	Crown receivable	7	176,717	44,170	150,384
402,818	Total current assets		358,579	210,719	338,849
Non-current assets					
147,270	Property, plant and equipment	8	137,981	185,070	163,660
160,405	Software	9	140,719	208,595	146,363
307,675	Total non-current assets		278,700	393,665	310,023
710,493	Total assets		637,279	604,384	648,872
Liabilities					
Current liabilities					
135,180	Payables and accruals	10	112,684	111,522	135,180
82,626	Return of operating surplus	11	29,508	-	-
93,037	Employee entitlements	13	90,207	91,395	93,037
22,367	Provisions	12	21,136	18,737	22,367
333,210	Total current liabilities		253,535	221,654	250,584
Non-current liabilities					
25,909	Employee entitlements	13	25,296	25,403	25,909
25,909	Total non-current liabilities		25,296	25,403	25,909
359,119	Total liabilities		278,831	247,057	276,493
351,374	Net assets		358,448	357,327	372,379

Explanations of major variances against the original 2024/25 budget are set out in Note 18.
The accompanying notes form part of these financial statements.

Ministry of Social Development

Statement of Changes in Equity

For the year ended 30 June 2025

Actual 2024 \$000	Notes	Actual 2025 \$000	Unaudited Budget 2025 \$000	Unaudited Forecast 2026 \$000
371,454	Balance at 1 July	351,374	351,671	356,327
82,626	Total comprehensive revenue and expense	32,568	-	-
	Owner transactions			
(82,626)	Return of operating surplus to the Crown	(29,508)	-	-
25,991	Capital injections	15,104	14,191	16,052
(45,774)	Capital withdrawal	(10,151)	(8,535)	-
(297)	Revaluation movement gain/(loss)	(939)	-	-
351,374	Balance at 30 June	358,448	357,327	372,379

Explanations of major variances against the original 2024/25 budget are set out in Note 18. The accompanying notes form part of these financial statements.

Ministry of Social Development

Statement of Cash Flows

For the year ended 30 June 2025

Actual 2024 \$000	Notes	Actual 2025 \$000	Unaudited Budget 2025 \$000	Unaudited Forecast 2026 \$000
Cash flows from operating activities				
1,797,448	Receipts from Revenue Crown	1,696,964	1,660,170	1,649,026
22,530	Receipts from other revenue	20,012	20,356	23,439
(746,761)	Payments to suppliers	(698,146)	(699,240)	(756,217)
(885,187)	Payments to employees	(860,081)	(858,697)	(841,888)
(16,913)	Payments for capital charge	(16,177)	(18,576)	(18,598)
(8,242)	Goods and services tax (net)	(12,268)	-	-
162,875	Net cash flow from operating activities	130,305	104,013	55,762
Cash flows from investing activities				
427	Receipts from sale of property, plant and equipment	649	-	-
(52,039)	Purchase of property, plant and equipment	(24,233)	(48,912)	(33,555)
(32,206)	Purchase of intangible assets	(34,351)	(59,920)	(32,417)
(83,818)	Net cash flow from investing activities	(57,936)	(108,832)	(65,972)
Cash flows from financing activities				
25,991	Capital injections	15,104	14,191	16,052
(45,774)	Capital withdrawal from the Crown	(10,151)	(8,535)	-
(90,889)	Return of operating surplus	(82,621)	-	-
(110,672)	Net cash flow from financing activities	(77,668)	5,656	16,052
(31,615)	Net increase/(decrease) in cash	(5,299)	837	5,842
179,188	Cash at the beginning of the year	147,573	147,864	160,660
147,573	Cash at the end of the year	142,274	148,701	166,502

Explanations of major variances against the original 2024/25 budget are set out in Note 18. The accompanying notes form part of these financial statements.

Reconciliation of Net Surplus to Net Cash Flow from Operating Activities

Actual 2024 \$000	Actual 2025 \$000
82,626 Net surplus/(deficit)	32,568
Add/(less) non-cash items	
31,957 Depreciation	32,341
49,755 Amortisation	54,037
81,712 Total non-cash items	86,378
Add/(less) items classified as investing or financing activities	
184 Net (gains) on disposal property, plant and equipment	(413)
184 Total items classified as investing or financing activities	(413)
Add/(less) working capital movements	
8,054 (Increase)/decrease in accounts receivable	49,110
(4,651) (Increase)/decrease in prepayments	(10,168)
(10,828) Increase/(decrease) in accounts payable	(22,496)
1,642 Increase/(decrease) in provision for employee entitlements	(2,830)
3,630 Increase/(decrease) in other provisions	(1,231)
(2,153) Net movements in working capital items	12,385
Add/(less) movements in non-current liabilities	
506 Increase/(decrease) in provision for employee entitlements	(613)
506 Net movements in non-current liabilities	(613)
162,875 Net cash inflow from operating activities	130,305

Ministry of Social Development

Statement of Commitments

As at 30 June 2025

Capital commitments

MSD has no capital commitments at balance date (2024: nil).

Non-cancellable operating lease commitments

MSD has long-term leases on premises, which are subject to regular reviews. The amounts disclosed in the table below as future commitments are based on the current rental rates. There are no restrictions placed on MSD by any of its leasing arrangements.

Actual 2024 \$000	Actual 2025 \$000
Operating commitments	
The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:	
49,701 Not later than one year	49,667
132,194 Later than one year and not later than five years	142,687
93,086 Later than five years	87,817
274,981 Total non-cancellable operating lease commitments	280,171
274,981 Total commitments	280,171

Ministry of Social Development

Statement of Contingent Liabilities and Contingent Assets

As at 30 June 2025

Unquantifiable contingent liabilities

There are no unquantifiable contingent liabilities.

Quantifiable contingent liabilities

Actual 2024 \$000	Actual 2025 \$000
125 Personal grievances	200
231 Legal proceedings and disputes	1,542
356 Total contingent liabilities	1,742

Personal grievances

Personal grievances claims represent amounts claimed by employees for personal grievances cases.

Legal proceedings and disputes

Other claims are represented by grievances claims from our clients and third parties for unpaid benefit entitlements and other disputes.

Contingent assets

MSD has no contingent assets (2024: nil).

Ministry of Social Development

Notes to the Financial Statements

For the year ended 30 June 2025

1. Statement of Accounting Policies

Reporting entity

The Ministry of Social Development (MSD) is a government department as defined by section 5 of the Public Service Act 2020 and is domiciled and operates in New Zealand. The relevant legislation governing MSD's operations includes the Public Finance Act 1989 (PFA), the Public Service Act 2020 and the Social Security Act 2018. MSD's ultimate parent is the New Zealand Crown. Up to 30 November 2024, Whaikaha – Ministry of Disabled People (Whaikaha) was a departmental agency as defined by section 2 of the PFA, hosted within MSD. Unless explicitly stated, references to MSD in these financial statements cover both MSD for the year ended 30 June 2025 and Whaikaha up to 30 November 2024.

MSD has also reported on Crown activities and trust monies that it administers in the non-departmental statements and schedules on pages 169 to 174.

MSD's primary objective is to provide services to the New Zealand public, including income support and superannuation services, employment support and services, support for young people to gain relevant skills, housing support, designing and delivering community services in conjunction with others, and social policy advice. MSD does not operate to make a financial return.

MSD has designated itself as a public benefit entity (PBE) for the purposes of complying with generally accepted accounting practice (GAAP).

The financial statements of MSD are for the year ended 30 June 2025 and were approved for issue by the Chief Executive on 30 September 2025.

Whaikaha – Ministry of Disabled People (departmental agency)

Effective 30 November 2024, Whaikaha – Ministry of Disabled People transitioned into an independent government department, thereby ceasing its status as a departmental agency hosted by MSD. These financial statements incorporate the results of the departmental agency up to 30 November 2024. On 1 December 2024, \$0.496 million of leave liabilities were transferred to the new department. Effective 1 December 2024, \$11.563 million of operating funding for the 2024/25 financial year was transferred to the newly established stand-alone department. From this date, the Ministry of Disabled People will prepare and present its own annual report.

Basis of preparation

The financial statements have been prepared on a going-concern basis, and the accounting policies have been applied consistently throughout the period.

Statement of Compliance

The financial statements of MSD have been prepared in accordance with the requirements of the PFA, which includes the requirements to comply with GAAP and Treasury Instructions.

Public Sector PBE Accounting Standards (PBE Standards) – Tier 1. These standards are based on International Public Sector Accounting Standards (IPSAS).

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000), unless otherwise stated.

New or amended standards adopted

Disclosure of Fees for Audit Firms' Services

Disclosure of Fees for Audit Firms' Services amendments to PBE IPSAS 1 has been adopted in the preparation of these financial statements. The amendment changes the required disclosures for fees relating to services provided by the audit or review provider, including a requirement to disaggregate the fees into specified categories. This disclosure is included in Note 5.

Other changes in accounting policies

There have been no changes to MSD's accounting policies since the date of the last audited financial statements.

Standards issued and not yet effective and not early adopted

The amendment that has been issued, but is not yet effective, and that has not been early adopted and is relevant to MSD is the 2024 Omnibus Amendments to PBE standards (amendments to PBE IPSAS 1).

This amendment clarifies the principles for classifying a liability as current or non-current. The amendment is effective for the year ending 31 December 2026. These amendments are not expected to have a significant impact.

Summary of significant accounting policies

Significant accounting policies are included in the notes to which they relate. Significant accounting policies that do not relate to a specific note are outlined below.

Foreign currency transactions

Foreign currency transactions (including those for which foreign exchange contracts are held) are translated into New Zealand dollars (the functional currency) using the spot exchange rate at the date of the transaction.

Any gains or losses from settling these transactions – or from converting foreign currency balances at the end of the financial year – are recorded in gains and losses.

Cash and cash equivalents

Cash and cash equivalents include cash in transit and deposits with banks. MSD is only permitted to spend its cash and cash equivalents within the scope and limits of its appropriations.

Goods and services tax (GST)

Items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated inclusive of GST. Where GST is not recoverable as an input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, Inland Revenue (IR) is included as part of the receivables or payables in the Statement of Financial Position.

The net GST paid to, or received from IR, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

Income tax

MSD is a public authority and, consequently, is exempt from income tax. No provision has been made for income tax.

Critical accounting estimates and assumptions

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions might differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

- Assessing the useful lives of software – refer to Note 9
- Measuring long service leave and retirement leave – refer to Note 13.

Critical judgements in applying accounting policies

The critical judgement in applying accounting policies is the presentation and treatment of Whaikaha – Ministry of Disabled People (Departmental Agency) and whether this is a discontinued operation – refer to Note 1.

Budget and forecast figures

Basis of the budget and forecast figures

The 2025 budget figures are for the year ended 30 June 2025 and were published in MSD's 2023/24 Annual Report as the unaudited forecast 2025 figures. They are consistent with MSD's best estimate financial forecast information submitted to the Treasury for the 2024 Budget Economic and Fiscal Update (BEFU).

The unaudited forecast 2026 figures are for the year ending 30 June 2026, and are consistent with the forecast information submitted to the Treasury for the BEFU for the year ending 30 June 2026.

The forecast financial statements have been prepared, as required by the PFA, to communicate forecast financial information for accountability purposes.

The budget and forecast figures are unaudited and have been prepared using the accounting policies adopted in preparing these financial statements.

The 30 June 2026 forecast figures have been prepared in accordance and comply with PBE FRS 42 Prospective Financial Statements.

The Chief Executive is responsible for the forecast financial statements, including the appropriateness of the assumptions underlying them and all other required disclosures.

Although MSD regularly updates its forecasts, updated forecast financial statements for the year ending 30 June 2026 will not be published.

Significant assumptions used in preparing the forecast financials

The forecast figures contained in these financial statements reflect MSD's purpose and activities and are based on assumptions about what may occur during the 2025/26 financial year. The forecast figures have been compiled on the basis of existing government policies and ministerial expectations at the time the Main Estimates were finalised.

The main assumptions, which were adopted as at end of April 2025, are as follows:

- MSD's activities and output expectations will remain substantially the same as those for the previous year, focusing on the Government's priorities.
- Personnel costs were based on 50 percent of revenue as at the year ending 30 June 2026.
- Operating costs were based on historical experience and other factors that are believed to be reasonable in the circumstances and are MSD's best estimate of future costs that will be incurred.
- Land and buildings are not revalued.
- Estimated year-end information for 2024/25 was used as the opening position for the 2025/26 forecasts.

The actual financial results achieved for the year ending 30 June 2026 are likely to vary from the forecast information presented, and the variations may be material.

Since the approval of the forecasts, no significant change or event has occurred that would have a material impact on the forecasts.

2. Revenue

The specific accounting policies for significant revenue items are explained below.

Revenue Crown

Revenue from the Crown is measured based on MSD's funding entitlement for the reporting period. The funding entitlement is established by Parliament when it passes the Appropriation Acts for the financial year. The amount of revenue recognised includes any amendments to appropriations approved in the Appropriation (Supplementary Estimates) Act for the year and certain other unconditional funding adjustments formally approved prior to balance date.

There are no conditions attached to funding from the Crown, but MSD can only incur expenses within the scope and limits of its appropriations. Revenue Crown is a non-exchange transaction.

The fair value of revenue from the Crown has been determined to be equivalent to the funding entitlement.

Other revenue

Sub-lease rental recoveries

Rental revenue under an operating sub-lease is recognised on a straight-line basis over the lease term.

Other revenue

Other revenue includes recoveries from Oranga Tamariki – Ministry for Children and the Social Investment Agency for the provision of corporate support services. This revenue is recognised based on an agreed annual fee.

Actual 2024 \$000	Actual 2025 \$000
1,689 Sub-lease rental recoveries	1,846
20,142 Other revenue	21,016
21,831 Total other revenue	22,862

3. Personnel costs

Salaries and wages

Salaries and wages are recognised as an expense as employees provide services.

Superannuation schemes

Defined contribution schemes

Contributions to the State Sector Retirement Savings Scheme, KiwiSaver and the Government Superannuation Fund are accounted for as defined contribution superannuation schemes and are expensed in surplus or deficit as incurred.

Actual 2024 \$000	Actual 2025 \$000
841,608 Salaries and wages	820,830
3,321 Increase/(decrease) in employee entitlements	(5,435)
19,238 Increase/(decrease) in restructuring and relocation costs	8,256
25,327 Contributions to defined superannuation contribution schemes	24,782
2,848 Other personnel expenses	6,602
892,342 Total personnel costs	855,035

4. Capital charge

The capital charge is recognised as an expense in the financial year to which the charge relates.

MSD pays a capital charge to the Crown based on its equity as at 31 December and 30 June each year. The capital charge rate for the financial year ended 30 June 2025 was 5 percent (2024: 5 percent).

5. Operating expenses

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to the ownership of an asset.

Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

Operating expenses

Other expenses are recognised as goods and services are received.

Actual 2024 \$000	Notes	Actual 2025 \$000
1,139	Audit fees	996
78,312	Rental, leasing and occupancy costs	78,434
(195)	Impairment loss on receivables	55
260,022	Employment support and subsidies	247,326
50,603	Office operating expenses	52,822
137,880	IT related operating expenses	174,592
5,310	Travel expenses	3,603
92,667	Consultancy and contractors' fees	33,659
13,624	Professional fees	9,053
98,618	Other operating expenses	72,845
737,980	Total operating expenses	673,385

Audit New Zealand, on behalf of the Auditor-General, is the auditor of MSD's financial statements and service performance for the year ended 30 June 2025.

Audit fees cover the statutory financial audit, the audit of appropriations under section 15(2) of the Public Audit Act 2001, and procedures relating to sensitive expenditure under section 16 of the Public Audit Act 2001.

No additional services have been provided by the Auditor-General or Audit New Zealand.

6. Accounts Receivable

Accounts receivable arise from exchange transactions and are recorded as the amount due, less an allowance for credit losses. MSD applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables.

In measuring expected credit losses, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due. Consideration is given to forward looking factors specific to the debtors and economic environment.

Short-term receivables are written off when there is no reasonable expectation of recovery.

Actual 2024 \$000	Actual 2025 \$000
1,461	8,973
(895)	(950)
566	8,023
Accounts receivable	

The expected credit loss rates for receivables as at 30 June 2025 and 30 June 2024 are based on the payment profile of receivables over the prior two years at the measurement date and the corresponding historical credit losses experienced for that period.

There have been no changes during the reporting period in the estimation techniques or significant assumptions used in measuring the loss allowance.

The allowance for credit losses is determined as follows:

Ageing profile of receivables

as at 30 June 2024				as at 30 June 2025		
Gross \$000	Impairment \$000	Net \$000	Ageing category	Gross \$000	Impairment \$000	Net \$000
-	-	-	Not past due	6,848	-	6,848
137	-	137	Past due 1–30 days	250	-	250
65	-	65	Past due 31–60 days	365	-	365
148	-	148	Past due 61–90 days	3	-	3
1,111	(895)	216	Past due >91 days	1,507	(950)	557
1,461	(895)	566		8,973	(950)	8,023

7. Crown Receivable

Crown receivable represents cash not yet drawn down from the Treasury. The Crown receivable arises from non-exchange transactions.

Actual 2024 \$000	Actual 2025 \$000
233,282 Crown receivable	176,717
233,282 Total Crown receivable	176,717

8. Property, plant and equipment

Property, plant and equipment consists of the following asset classes: land, buildings, furniture and fittings, computer equipment, motor vehicles, and plant and equipment.

Land is measured at fair value, and buildings are measured at fair value less accumulated depreciation and impairment losses.

All other assets classes are measured at cost, less accumulated depreciation and impairment losses. Individual assets, or groups of assets, are capitalised if their cost is greater than \$2,000.

Revaluation

A full valuation of land and buildings is conducted at least every three years to ensure the carrying amount does not differ materially from the fair value.

The carrying values of revalued items are assessed annually to ensure that they do not differ materially from fair value. At 30 June 2025, the carrying value of land and buildings was materially different from its fair value and on this basis a revaluation has been completed.

Land and building revaluation movements are accounted for on a class of asset basis.

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a negative balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to MSD and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at fair value at the date of acquisition.

Disposals

Gains and losses on disposal are determined by comparing the proceeds of disposal with the carrying amount of the asset. Gains and losses on disposal are included in the surplus or deficit.

When a revalued asset is sold, the amount included in the asset revaluation reserve in respect of the disposed asset is transferred to taxpayers' funds.

Subsequent costs

Costs incurred after the initial acquisition are capitalised only when it is probable that the future economic benefits or service potential associated with the item will flow to MSD and the cost of the item can be measured reliably. The costs of day-to-day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment (other than land) at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Asset type	Estimated life	Depreciation rate
Buildings (including components)	10-80 years	1.25%-10%
Furniture and fittings (including leasehold improvements)	up to 18 years	>6%
Computer equipment	3-5 years	20%-33%
Motor vehicles	4-5 years	20%-25%
Plant and equipment	3-5 years	20%-33%

Leasehold improvements are depreciated over the shorter of the unexpired period of the lease or the estimated remaining useful lives of the improvements. The residual value and useful life of an asset are reviewed, and adjusted if applicable, at each financial year-end.

Impairment

Property, plant and equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

If an asset's carrying amount exceeds its recoverable service amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets, the impairment loss is recognised in other comprehensive revenue and expense and decreases the asset revaluation reserve for that class of asset. Where that results in a negative balance in the asset revaluation reserve, the balance is recognised in the surplus or deficit. For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

Estimating the fair value of land and buildings

Land

Land is valued at fair value using market-based evidence, reflecting its highest and best use with reference to comparable land values. Adjustments have been made to the ‘unencumbered’ land value where there is a designation against the land, or the use of the land is restricted because of reserve or endowment status. These adjustments are intended to reflect the negative effect on the value of the land where an owner is unable to use the land more intensively.

Buildings

Buildings are valued at fair value using market-based evidence. Market rents and capitalisation rate methodologies were applied in determining the fair value of buildings.

	Land \$000	Buildings \$000	Furniture & Fittings \$000	Computer Equipment \$000	Motor Vehicles \$000	Plant & Equipment \$000	Work in Progress \$000	Total \$000
Cost or revaluation								
Balance as at 1 July 2023	9,661	17,367	149,331	52,653	13,194	4,040	34,524	280,770
Additions by purchase	-	-	-	-	-	-	52,039	52,039
Revaluation increase/ (decrease)	(1,607)	(1,536)	-	-	-	-	-	(3,143)
Transfers	-	2,388	38,542	2,969	4,353	4,035	(52,287)	-
Other asset movement	-	-	-	-	-	-	-	-
Disposals/Write-offs	(297)	-	(79)	(1,161)	(2,709)	-	-	(4,246)
Balance as at 30 June 2024	7,757	18,219	187,794	54,461	14,838	8,075	34,276	325,420
Balance as at 1 July 2024	7,757	18,219	187,794	54,461	14,838	8,075	34,276	325,420
Additions by purchase	-	-	2,000	-	-	-	22,245	24,245
Revaluation increase/ (decrease)	370	(2,368)	-	-	-	-	-	(1,998)
Transfers	-	-	35,413	158	357	3,370	(39,298)	-
Other asset movement	1	-	-	-	(1)	-	(12)	(12)
Disposals/Write-offs	-	-	(4,719)	(3,087)	(1,439)	(3)	-	(9,248)
Balance as at 30 June 2025	8,128	15,851	220,488	51,532	13,755	11,442	17,211	338,407
Accumulated depreciation and impairment losses								
Balance as at 1 July 2023	-	1,908	95,327	44,353	6,440	3,928	-	151,956
Depreciation expense	-	1,211	20,303	4,364	5,235	844	-	31,957
Eliminate on disposal	-	-	-	(1,161)	(1,754)	-	-	(2,915)
Eliminate on revaluation	-	(2,848)	-	-	-	-	-	(2,848)
Transfers	-	-	(293)	-	-	293	-	-
Other asset movement	-	-	-	-	-	-	-	-
Balance as at 30 June 2024	-	271	115,337	47,556	9,921	5,065	-	178,150

	Land \$000	Buildings \$000	Furniture & Fittings \$000	Computer Equipment \$000	Motor Vehicles \$000	Plant & Equipment \$000	Work in Progress \$000	Total \$000
Balance as at 1 July 2024	-	271	115,337	47,556	9,921	5,065	-	178,150
Depreciation expense	-	1,252	24,170	3,433	1,901	1,585	-	32,341
Eliminate on disposal	-	-	(4,484)	(3,085)	(1,436)	(3)	-	(9,008)
Eliminate on revaluation	-	(1,059)	-	-	-	-	-	(1,059)
Transfers	-	-	-	-	-	-	-	-
Other asset movement	-	1	-	-	(1)	2	-	2
Balance as at 30 June 2025	-	465	135,023	47,904	10,385	6,649	-	200,426
Carrying amounts								
As at 1 July 2023	9,661	15,459	54,004	8,300	6,754	112	34,524	128,814
As at 30 June and 1 July 2024	7,757	17,948	72,457	6,905	4,917	3,010	34,276	147,270
As at 30 June 2025	8,128	15,386	85,465	3,628	3,370	4,793	17,211	137,981

Restrictions

There are no restrictions over the title of MSD's property, plant and equipment assets. No property, plant and equipment assets are pledged as security for liabilities.

Impairment

As at 30 June 2025, MSD has not recognised an impairment loss for property, plant and equipment work in progress (2024: nil).

Other asset movements

Reclassification of post-capitalisation costs of \$0.012 million (incurred after June 2024) from capital expenditure to operating expenses.

9. Software

Software acquisition and development

Acquired computer software and licences are capitalised on the basis of the costs incurred to acquire and bring the specific software into use.

Costs that are directly associated with the development of software for internal use by MSD are recognised as a software asset. Direct costs include the cost of services, software development employee costs and any directly attributable overheads.

Costs of software updates or upgrades are only capitalised when they increase the usefulness or economic benefits of the software.

The costs associated with the specific configuration and customisation costs of Software as a Service (SaaS) arrangements where there is no control of the supplier's software by MSD are recognised as an expense when incurred.

Amortisation

The carrying value of software with a finite life is amortised on a straight-line basis over its useful life. The useful lives and associated amortisation rate of our major class of software assets have been estimated as follows:

Asset type	Estimated life	Amortisation rate
Software	3-8 years	12.5%-33%

The useful life of software is determined at the time the software is acquired and brought into use and is reviewed at each reporting date for appropriateness. For computer software licences, the useful life represents management's view of the expected period over which MSD will receive benefits from the software, but not exceeding the licence term. For internally generated software developed by MSD, the useful life is based on historical experience with similar systems as well as anticipation of future events that might affect the useful life, such as changes in technology.

Impairment

For further details, refer to the policy for impairment of property, plant and equipment in note 8. The same approach applies to the impairment of software, except that an impairment test is completed annually for software work in progress.

As at 30 June 2025, MSD has not recognised an impairment loss on software (2024: nil).

	Internally Generated Software \$000	Software Commercial \$000	Work in Progress \$000	Total \$000
Cost or revaluation				
Balance as at 1 July 2023	436,203	141,496	38,081	615,780
Additions by purchase	-	-	33,511	33,511
Transfers	42,927	2,297	(45,224)	-
Other asset movement	-	-	-	-
Disposals/Write-offs	(6,215)	(8,301)	-	(14,516)
Balance as at 30 June 2024	472,915	135,492	26,368	634,775
Balance as at 1 July 2024	472,915	135,492	26,368	634,775
Additions by purchase	-	-	35,474	35,474
Transfers	24,713	8,156	(32,869)	-
Other asset movement	-	(1)	(1,122)	(1,123)
Disposals/ Write-offs	(72,941)	(5,618)	-	(78,559)
Balance as at 30 June 2025	424,687	138,029	27,851	590,567
Accumulated amortisation and impairment losses				
Balance as at 1 July 2023	331,098	107,453	-	438,551
Amortisation expense	35,727	14,029	-	49,756
Disposals/Write-off	(5,822)	(8,115)	-	(13,937)

	Internally Generated Software \$000	Software Commercial \$000	Work in Progress \$000	Total \$000
Transfers	-	-	-	-
Other asset movement	-	-	-	-
Impairment losses	-	-	-	-
Balance as at 30 June 2024	361,003	113,367	-	474,370
Balance as at 1 July 2024	361,003	113,367	-	474,370
Amortisation expense	39,353	14,684	-	54,037
Disposals/Write-off	(72,941)	(5,618)	-	(78,559)
Transfers	-	-	-	-
Other asset movement	-	-	-	-
Impairment losses	-	-	-	-
Balance as at 30 June 2025	327,415	122,433	-	449,848
Carrying amounts				
As at 1 July 2023	105,105	34,043	38,081	177,229
As at 30 June and 1 July 2024	111,912	22,125	26,368	160,405
As at 30 June 2025	97,272	15,596	27,851	140,719

Restrictions

There are no restrictions over the title of MSD's software; nor is any software pledged as security for liabilities.

Other asset movements

Reclassification of post-capitalisation costs of \$1.123 million (incurred after June 2024) from capital expenditure to operating expenses.

10. Payables and Accruals

Actual 2024 \$000	Actual 2025 \$000
Payables and accruals under exchange transactions	
10,332 Creditors	11,622
84,611 Accrued expenses	73,095
94,943 Total payables and accruals under exchange transactions	84,717
Payables and accruals under non-exchange transactions	
40,237 GST payable	27,967
40,237 Total payables and accruals under non-exchange transactions	27,967
135,180 Total payables and accruals	112,684

Payables and accruals are measured at the amount payable.

11. Return of operating surplus

The operating surplus must be repaid to the Crown by 31 October each year.

Actual 2024 \$000	Actual 2025 \$000
82,626 Net surplus	32,568
- (Less) Retained surplus	(3,060)
82,626 Total repayment of surplus	29,508

12. Provisions

A provision is recognised for future expenditure of an uncertain amount or timing when:

- there is a present obligation (either legal or constructive) as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

Actual 2024 \$000	Actual 2025 \$000
3,245 ACC partnership programme	3,032
2,663 Holidays Act	2,663
1,605 Lease reinstatement	2,674
5,911 Operating lease incentive	5,325
8,943 Restructuring provision	7,442
22,367 Total provisions	21,136

Movements for each class of provision are as follows:

	ACC partnership programme \$000	Holidays Act \$000	Lease rein- statement \$000	Operating lease incen- tive \$000	Restructur- ing provi- sion \$000	Total \$000
Balance as at 1 July 2023	6,307	3,727	1,206	6,497	1,000	18,737
Additional provisions made	-	-	350	-	8,943	9,293
Amounts used	(358)	-	-	(586)	-	(944)
Unused amounts reversed	(2,704)	(1,064)	-	-	(1,000)	(4,768)
Discount unwind	-	-	49	-	-	49
Balance as at 30 June 2024	3,245	2,663	1,605	5,911	8,943	22,367

	ACC partnership programme \$000	Holidays Act \$000	Lease rein- statement \$000	Operating lease incen- tive \$000	Restructur- ing provi- sion \$000	Total \$000
Balance as at 1 July 2024	3,245	2,663	1,605	5,911	8,943	22,367
Additional provisions made	591	-	1,337	-	7,585	9,513
Amounts used	(804)	-	(350)	(586)	(9,086)	(10,826)
Unused amounts reversed	-	-	-	-	-	-
Discount unwind	-	-	82	-	-	82
Balance as at 30 June 2025	3,032	2,663	2,674	5,325	7,442	21,136

ACC partnership programme

MSD belongs to the ACC Accredited Employer programme, whereby it accepts the management and financial responsibility of work-related illnesses and accidents. Under the programme, MSD is liable for all claim costs for a period of five years after the end of the cover period in which the injury occurred. At the end of the five-year period, MSD pays a premium to ACC for the value of residual claims, and the liability for ongoing claims from that point passes to ACC.

The ACC Partnership programme is measured at the present value of expected future payments to be made for employees' injuries and claims up to the reporting date using actuarial techniques. Consideration is given to the expected future wage and salary levels and the experience of employees' claims and injuries.

MSD manages its exposure arising from the programme by promoting a safe and healthy working environment by:

- implementing and monitoring health and safety policies
- providing induction training on health and safety
- actively managing workplace injuries to ensure employees return to work as soon as possible
- recording and monitoring workplace injuries and near misses to identify risk areas and implementing mitigating actions
- identifying workplace hazards and implementing appropriate safety procedures.

MSD, under the Full Self Cover Plan, has opted for a stop loss limit of 160 percent of the industry premium and a High-Cost Claims Cover limit of \$500,000.

MSD is not exposed to any significant concentrations of insurance risk as work-related injuries are generally the result of an isolated event to an individual employee. An external independent actuarial valuer, Melville Jessup Weaver, has calculated MSD's liability. The valuation is effective as at 30 June 2025.

Holidays Act provision

The Holidays Act 2003 provision accounts for any MSD payroll compliance issues associated with the Act. This mainly relates to employees and ex-employees who have worked different shifts and hours each week, resulting in underpaid leave over a period of time. The value of the provision of \$2.663 million (2024: \$2.663 million) is based on a professional assessment by MSD's People and Capability business group.

Lease reinstatement

At the expiry of the lease term for a number of its leased premises, MSD is required to remove any fixtures or fittings it has installed.

At year end, there was one site with a lease reinstatement provision of \$2.674 million (2024: three sites with a value of \$1.605 million). The timing of any future lease reinstatement work is currently nine years and one month in the future.

In many cases, MSD has the option to renew this lease, which has an impact on the timing of the expected cash outflow for reinstatement of leased premises.

The value of the provision is based on a professional assessment by MSD's Workplace Services team taking into account the cost and history of lease reinstatement work.

Operating lease incentive

The lease incentive relates to an initial 12-month rent-free period beginning from August 2017 on the National Office building at 56 The Terrace, Wellington. The lease is over a term of 18 years and the rent-free period is currently being amortised over the term of the lease.

Restructuring provision

A provision for restructuring is recognised when an approved detailed formal plan for the restructuring has been announced publicly to those affected, or implementation has already commenced.

The total restructuring provision for redundancies as at 30 June 2025 is \$7.442 million (2024: \$8.943 million). This is for staff members affected by a restructure in 2025 in the Organisational Assurance and Communication, Disability Support Services and Transformation business groups of MSD.

13. Employee entitlements

Short-term employee entitlements

Employee entitlements that MSD expects to be settled within 12 months of the balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to the balance date, annual leave owing at the balance date and sick leave.

Long-term employee entitlements

Entitlements payable beyond 12 months, such as long service leave and retiring leave, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements based on years of service, years until entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information
- the present value of the estimated future cash flows.

Presentation of employee entitlements

Sick leave, annual leave, vested long service leave, non-vested long service leave and retirement leave expected to be settled within 12 months of balance date are classified as current liabilities. All other employee entitlements are classified as non-current liabilities.

Long service leave and retirement leave

The present value of the retirement gratuities and long service leave obligations is determined on an actuarial basis using a number of assumptions. Two key assumptions used in calculating this liability are the discount rate and the salary inflation factor. Any changes in these assumptions will have an impact on the carrying amount of the liability.

MSD uses interest rates and a salary inflation factor supplied and published by the Treasury.

Discount rates and salary inflation applied:

as at 30 June 2024				as at 30 June 2025		
2025 %	2026 %	2027 %	Employee entitlement variables	2026 %	2027 %	2028 %
5.30	4.49	5.11	Discount rates	3.14	3.47	5.58
3.33	3.33	3.33	Salary inflation	2.89	2.89	2.89

The financial impact of changes to the discount rates and salary inflation variables:

Actual 2024 \$000		Actual 2025 \$000
Sensitivity analysis of employee entitlements fair value to discount rates and repayment rates		
1,715	Impact on fair value of a 1% increase in salary inflation rate	1,599
(1,587)	Impact on fair value of a 1% decrease in salary inflation rate	(1,488)
(1,410)	Impact on fair value of a 1% increase in discount rate	(1,309)
1,547	Impact on fair value of a 1% decrease in discount rate	1,430

Breakdown of employee entitlements:

Actual 2024 \$000	Actual 2025 \$000
Current liabilities	
12,162 Retirement gratuities and long service leave	10,557
54,183 Annual leave	48,756
23,418 Salary accrual	27,828
3,274 Sick leave	3,066
93,037 Total current liabilities	90,207
Non-current liabilities	
25,909 Retirement gratuities and long service leave	25,296
25,909 Total non-current liabilities	25,296
118,946 Total employment entitlements	115,503

14. Equity

Equity is the Crown's investment in MSD and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified as taxpayers' funds and property revaluation reserves.

Breakdown of equity and further information

Actual 2024 \$000	Actual 2025 \$000
Taxpayers' funds	
337,509 Opening balance	317,726
82,626 Surplus/(deficit)	32,568
25,991 Capital injection	15,104
(45,774) Capital withdrawal	(10,151)
(82,626) Repayment of surplus	(29,508)
- Transfers from Revaluation Reserve on Disposal of Assets	10,885
317,726 Closing balance	336,624
Property revaluation reserves	
33,945 Opening balance	33,648
2,741 Revaluation gain	370
(3,038) Revaluation losses	(1,309)
- Transfers from Revaluation Reserve on Disposal of Assets	(10,885)
33,648 Closing balance	21,824
351,374 Total equity	358,448

Property revaluation reserves

These reserves relate to the revaluation of land and buildings to fair value.

15. Related party transactions

MSD is a wholly owned entity of the Crown.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect MSD would have adopted in dealing with the party at arm's length in the same circumstances. Transactions with other government agencies (for example, government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

Related party transactions required to be disclosed

Nil.

Key management personnel compensation

Actual 2024 \$000	Actual 2025 \$000
Ministry of Social Development Leadership Team, including the Chief Executive	
2,977,107 Remuneration	3,769,185
8.2 Full-time equivalent members	8.8
Whaikaha Leadership Team, including the Chief Executive (up to November 2024)	
1,802,383 Remuneration	1,230,920
6.0 Full-time equivalent members	6.0

The above key management personnel disclosure excludes the Minister for Social Development and Employment and the Minister for Disability Issues. The Minister's remuneration and other benefits are received not only for their role(s) as a member of the key management personnel of MSD. The Minister's remuneration and other benefits are set by the Remuneration Authority under the Members of Parliament (Remuneration and Services) Act 2013 and are paid under the Permanent Legislative Authority and are not paid by MSD.

16. Events after the balance sheet date

No significant events, which may have had an impact on the actual results, have occurred between year-end and the signing of the financial statements.

17. Financial Instruments

Financial instrument categories

The carrying amounts of financial assets and liabilities in each of the PBE IPSAS 41 financial instrument categories are as follows:

Actual 2024 \$000	Notes	Actual 2025 \$000
Financial assets measured at amortised cost		
147,573 Cash and cash equivalents		142,274
566 Accounts receivable	6	8,023
148,139 Total financial assets measured at amortised cost		150,297
Financial liabilities measured at amortised cost		
94,943 Payables and accruals excluding GST payable	10	84,717
94,943 Total financial liabilities measured at amortised cost		84,717

Financial instrument risks

MSD's activities expose it to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. MSD has a series of policies to manage the risks associated with financial instruments and seeks to minimise its exposure from financial instruments. These policies do not allow any transactions that are speculative in nature to be entered.

Market risk

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. MSD has no material foreign exchange exposures.

Interest rate risk

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate, or that the cash flows from a financial instrument will fluctuate, due to changes in market interest rates. MSD has no exposure to interest rate risk.

Credit risk

Credit risk is the risk that a third party will default on its obligation to MSD, causing MSD to incur a loss.

In the normal course of MSD's business, credit risk arises from receivables and cash deposits with Westpac.

Aside from cash deposits, MSD does not have significant concentrations of credit risk.

MSD's maximum credit exposure for each class of financial instrument is represented by the carrying amounts of cash and cash equivalents, and accounts receivable (refer to Note 6), as disclosed in the balance sheet. No collateral is held as security for these financial instruments.

MSD is permitted to deposit funds only with Westpac (a registered bank with a Standard & Poor's credit rating of AA-). No credit loss allowance on cash deposits has been recognised, as the estimated credit loss is considered trivial.

Liquidity risk

Management of liquidity risk

Liquidity risk is the risk that MSD will encounter difficulty raising liquid funds to meet its commitments as they fall due.

In meeting its liquidity requirements, MSD closely monitors its forecast cash requirements with expected cash drawdowns from the New Zealand Debt Management Office. MSD maintains a target level of available cash to meet liquidity requirements. MSD can adjust cash drawdowns as required by changing the phasing and request additional funds when required.

Contractual maturity analysis of financial liabilities

Financial liabilities totalling \$84.717 million are due for repayment in less than six months (2024: \$94.943 million).

18. Explanation of major variances against budget

	Notes	Actual 2025 \$000	Unaudited Budget 2025 \$000	Variance 2025 \$000
Statement of Financial Position				
Assets				
Current assets				
Crown receivables	a	176,717	44,170	132,547
Non-current assets				
Property, plant and equipment	b	137,981	185,070	(47,089)
Software	c	140,719	208,595	(67,876)
Statement of Cash Flows				
Cash flows from operating activities				
Receipts from Revenue Crown	d	1,696,964	1,660,170	36,794
Cash flows from financing activities				
Return of operating surplus	e	(82,621)	-	(82,621)

Statement of Financial Position

- (a) Crown receivables are higher than budget by \$132.547 million, mainly due to a lower than budgeted capital spending in 2023/24 and 2024/25. The lower spend meant that less cash was required and not drawn down from Crown receivables.
- (b) Property, plant and equipment expenditure was \$47.089 million lower than budget, primarily due to changes in the capital programme, which was originally based on MSD's 10-year plan. The variance also reflects the impact of initiatives that received external or tagged funding but are now either not progressing or have undergone scope changes. Fleet replacement was deferred, with approximately half of the vehicles ordered now scheduled for delivery in 2025/26. In addition, 33 property-related projects – including leasehold improvements, furniture upgrades, security enhancements, seismic strengthening and HVAC replacements – are currently in progress but delayed, with completion expected in 2025/26.
- (c) Software expenditure was \$67.876 million lower than budget, primarily due to changes in the capital programme originally based on MSD's 10-year plan. A significant portion of the variance relates to a reduction in the technology scope, limiting it to committed projects only. In addition, the rephasing of our transformation programme MSD – services for the future contributed to the underspend.

Statement of Cash Flows

- (d) Receipts from Revenue Crown are higher than budgeted by \$36.794 million, primarily due to the transfer of funding from 2023/24 to 2024/25 that was not included in the Budget. This includes allocations for the Welfare that Works initiative (\$4.450 million), Corporate Platform activities (\$1.750 million) under the Improved Employment and Social Outcomes Support MCA, and an independent review into the sustainability of Disability Support Services administered by the Whaikaha (\$15.600 million). Other funding includes IT systems development and improvement (\$5.290 million) and the Growing Up in New Zealand Study (\$6.834 million).
- (e) Return of operating surplus is higher than budget by \$82.621 million as no surplus was budgeted.

19. Expenditure on Contractors and Consultants

MSD uses contractors and consultants to provide backfill for vacant positions or to cover short-term demand where specialist skills or independent external advice are needed (such as for specific programmes or projects), and in periods of peak demand.

A contractor is a person who is not considered an employee but who provides backfill or extra capacity in a role that exists within MSD or acts as an additional resource, for a time-limited piece of work.

A consultant is a person or a firm who is not considered a contractor or an employee, but who is engaged to provide expertise in a field not readily available from within MSD, for a specific piece of work with a clearly defined scope.

In the 2023/24 and 2024/25 financial years, MSD reduced reliance on contractors and consultants to backfill vacant positions.

Expenditure on contractors and consultants is as follows:

Actual 2024 \$000	Notes	Actual 2025 \$000
92,667	Contractors and consultants - operating	33,659
92,667	Total contractors and consultants - operating	33,659
21,858	Contractors and consultants - capitalised to assets	12,937
21,858	Total contractors and consultants - capital	12,937
114,525	Total contractors and consultants	46,596

Expenditure on contractors and consultants has decreased by \$67.929 million (2024: \$25.392 million decrease). This reduction reflects the MSD working to meet the Government's savings targets. There are further reductions due to the near completion of a number of IT projects and the reprioritisation of spending to support workforce capability and cost pressures.

20. Expenditure Appropriated, Reconciled to Operating Expenses

Actual 2024 \$000	Actual 2025 \$000
1,729,746	1,631,658
Total expenditure appropriated	
Reconciling items	
Remeasurements	
(185)	(316)
Long Service Leave and Retirement Leave	
Reclassification	
(611)	(236)
Loss on disposal of property, plant and equipment	
(796) Total reconciling items	(552)
1,728,950 Total expenses per Statement of Comprehensive Revenue and Expense	1,631,106

Non-Departmental Statements and Schedules

For the year ended 30 June 2025

The following non-departmental statements and schedules record the revenue, expenses, assets, liabilities, commitments, contingent liabilities, contingent assets and trust accounts that MSD manages on behalf of the Crown.

Schedule of Non-Departmental Revenue

For the year ended 30 June 2025

Actual 2024 \$000	Notes	Actual 2025 \$000	Unaudited Budget 2025 \$000
139 Interest revenue		150	-
11,860 Maintenance capitalisation		25,471	450
16,134 Programme recoveries		2,570	19,903
7,088 Student Loan - administration fee	3	8,300	7,216
775 Income Related Rent Subsidy recoveries		1,091	203
35,996 Total non-departmental revenue		37,582	27,772

Explanations of major variances against budget are set out in Note 5.

The accompanying notes form part of these financial statements.

These non-departmental balances are consolidated into the Financial Statements of the Government, and readers of these statements and schedules should also refer to the Financial Statements of the Government for 2024/25.

Schedule of Non-Departmental Capital Receipts

For the year ended 30 June 2025

Actual 2024 \$000	Notes	Actual 2025 \$000	Unaudited Budget 2025 \$000
409,781	Benefit recoveries - current debt	434,974	431,374
115,288	Benefit recoveries - non-current debt	149,489	112,047
413,457	Overseas pension recoveries	440,868	411,965
96,751	Student Loans - repayment of principal	93,311	110,464
1,035,277	Total non-departmental capital receipts	1,118,642	1,065,850

Explanations of major variances against budget are set out in Note 5.

Benefit recoveries (current and non-current) are the amounts collected from clients either by way of regular deductions from the client's benefit payments or repayments from former clients and non-beneficiaries. When a debt is established, it is disclosed as a reduction in social benefit expense.

The accompanying notes form part of these financial statements.

These non-departmental balances are consolidated into the Financial Statements of the Government, and readers of these statements and schedules should also refer to the Financial Statements of the Government for 2024/25.

Schedule of Non-Departmental Expenses

For the year ended 30 June 2025

Actual 2024 \$000	Notes	Actual 2025 \$000	Unaudited Budget 2025 \$000
2,802,276	Non-departmental output expenses	2,888,507	3,045,468
337,419	Non-departmental other expenses	311,638	242,892
1,849,916	Non-departmental capital expenditure	2,218,698	2,212,716
35,663,484	Benefits or related expenses	38,267,536	38,276,645
421,017	Other operating expenses	419,782	472,139
41,074,112	Total non-departmental expenses	44,106,161	44,249,860

Explanations of major variances against budget are set out in Note 5.

The other operating expenses of \$419.782 million is mainly GST paid for non-departmental output expenses and non-departmental other expenses. An input tax deduction is not claimed in non-departmental expenditure.

The accompanying notes form part of these financial statements.

These non-departmental balances are consolidated into the Financial Statements of the Government, and readers of these statements and schedules should also refer to the Financial Statements of the Government for 2024/25.

Schedule of Non-Departmental Assets

As at 30 June 2025

Actual 2024 \$000		Notes	Actual 2025 \$000	Unaudited Budget 2025 \$000
Current assets				
532,455	Cash and cash equivalents	4	378,094	580,379
333,015	Social benefit receivables	2	327,661	284,065
68,888	Other receivables	4	79,580	59,557
700	Prepayments - benefits and allowances		72,319	-
935,058	Total current assets		857,654	924,001
Non-current assets				
1,093,393	Social benefit receivables	2	1,225,348	905,374
33	Other advances		26	28
5,021	Crown equity investment in Crown Entity		6,421	5,021
1,098,447	Total non-current assets		1,231,795	910,423
2,033,505	Total non-departmental assets		2,089,449	1,834,424

Explanations of major variances against budget are set out in Note 5.

The accompanying notes form part of these financial statements.

These non-departmental balances are consolidated into the Financial Statements of the Government, and readers of these statements and schedules should also refer to the Financial Statements of the Government for 2024/25.

Schedule of Non-Departmental Liabilities

As at 30 June 2025

Actual 2024 \$000	Notes	Actual 2025 \$000	Unaudited Budget 2025 \$000
Current liabilities			
1,361,829 Payables and accruals		592,469	511,794
128,671 Other current liabilities		357,324	41,910
1,490,500 Total non-departmental liabilities	4	949,793	553,704

Explanations of major variances against budget are set out in Note 5.

The accompanying notes form part of these financial statements.

These non-departmental balances are consolidated into the Financial Statements of the Government, and readers of these statements and schedules should also refer to the Financial Statements of the Government for 2024/25.

Schedule of Non-Departmental Commitments

As at 30 June 2025

MSD, on behalf of the Crown, has no commitments as at 30 June 2025 (2024: nil).

Schedule of Non-Departmental Contingent Liabilities and Contingent Assets

As at 30 June 2025

Unquantifiable contingent liabilities

MSD, on behalf of the Crown, has unquantifiable contingent liabilities related to Disability Support Services as at 30 June 2025. The Crown has appealed aspects of an Employment Court decision that would create employment obligations for many people who provide 24/7 care to disabled family members. The matter was largely successful in overturning the Employment Court decisions in the Court of Appeal. Family Carers applied for leave to appeal the Court of Appeal decision in the Supreme Court. Other legal action is ongoing in relation to this case with the Employment Relations Authority and the Employment Court.

There are claims against the Crown relating to historical abuse in care. At this stage the number of claimants and the outcomes of these cases are uncertain. The disclosure of an amount for these claims may prejudice the legal proceedings.

Quantifiable contingent liabilities

There are no quantifiable contingent liabilities as at 30 June 2025 (2024: nil).

Unquantifiable contingent assets

MSD, on behalf of the Crown, has unquantifiable contingent assets related to wage subsidy recovery claims against a number of recipients of the wage subsidy scheme as at 30 June 2025.

Quantifiable contingent assets

MSD, on behalf of the Crown, has no quantifiable contingent assets as at 30 June 2025 (2024: nil).

The accompanying notes form part of these financial statements. These non-departmental balances are consolidated into the Financial Statements of the Government, and readers of these statements and schedules should also refer to the Financial Statements of the Government for 2024/25.

Statement of Trust Monies

For the year ended 30 June 2025

MSD operates trust accounts as the agent under section 66 of the PFA. The transactions through these accounts and their balances as at 30 June 2025 are not included in MSD's own financial statements. Movements in these accounts during the year ended 30 June 2025 were:

Actual 2024 \$000	Actual 2025 \$000
Australian Embargoed Arrears	
2,243 Balance at 1 July	3,143
33,763 Contributions	22,804
(32,863) Distributions	(23,766)
- Revenue	100
3,143 Balance at 30 June	2,281
Maintenance	
96 Balance at 1 July	22
275 Contributions	194
(349) Distributions	(210)
- Revenue	9
22 Balance at 30 June	15
Netherlands Debt	
14 Balance at 1 July	6
173 Contributions	118
(181) Distributions	(104)
- Revenue	-
6 Balance at 30 June	20
3,171 Total trust monies	2,316

Australian embargoed arrears trust account

Under the reciprocal agreement between the Australian and New Zealand Governments, the New Zealand Government is required to make regular contributions to any former New Zealand residents living in Australia in receipt of a benefit in Australia. The trust account has been established to record any one-off arrears payments.

Maintenance trust account

MSD is responsible for collecting maintenance arrears owing as at 30 June 1992. Amounts are collected from the non-custodial parent and deposited into the trust account. These amounts are then paid into the custodial parent's bank account.

Netherlands debt trust account

There is an agreement between the Netherlands and New Zealand Governments for MSD to deduct monies from customers in receipt of a benefit in New Zealand for debts owing in the Netherlands. The trust account records these transactions and transfers the amounts held in the trust account to the Netherlands Government each month.

The accompanying notes form part of these financial statements.

These non-departmental balances are consolidated into the Financial Statements of the Government, and readers of these statements and schedules should also refer to the Financial Statements of the Government for 2024/25.

Notes to the Non-Departmental Statements and Schedules

For the year ended 30 June 2025

1. Statement of Accounting Policies

Reporting entity

These non-departmental statements and schedules present financial information on public funds managed by MSD on behalf of the Crown.

These non-departmental balances are consolidated into the Financial Statements of the Government for the year ended 30 June 2025. For a full understanding of the Crown's financial position, results of operations and cash flows for the year, refer to the Financial Statements of the Government for the year ended 30 June 2025.

Basis of preparation

The non-departmental statements and schedules have been prepared in accordance with the accounting policies of the consolidated Financial Statements of the Government, Treasury Instructions and Treasury Circulars.

Measurement and recognition rules applied in the preparation of these non-departmental statements and schedules are consistent with GAAP as appropriate for PBEs.

Presentation currency and rounding

The non-departmental statements and schedules are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000).

New or amended standards adopted

2024 Omnibus Amendments to PBE Standards (amendments to PBE IPSAS 1)

This amendment clarifies the principles for classifying a liability as current or non-current. The amendment is effective for the year ending 31 December 2026. These amendments are not expected to have a significant impact.

Summary of significant accounting policies

Significant accounting policies are included in the notes to which they relate.

Significant accounting policies that do not relate to a specific note are outlined below.

Revenue

MSD administers revenue on behalf of the Crown. This revenue includes student loan administration fees, interest revenue, maintenance capitalisation, Income-related Rent Subsidy (IRRS) recoveries and miscellaneous revenue.

Student loan administration fee revenue is recognised when the eligible student loan application has been processed.

Interest revenue is the interest on Major Repairs Advances, which were advances made for the repairs or maintenance of clients' homes. This programme is no longer current.

Maintenance capitalisation relates to the old child support scheme managed by the Department of Social Welfare before 1 July 1992. Up until that date, a person who had custody of a child could seek financial support (maintenance) from the non-custodial parent. The maintenance capitalisation revenue is the re-establishment of historical maintenance debt previously written off. The current child support scheme is managed by IR.

IRRS recoveries relate to the recovery of debt established after income-related rent reviews due to rental underpayments by clients.

Miscellaneous revenue is all the other non-departmental revenues received by MSD.

Expenses

Expenses are recognised in the period they relate to.

Welfare benefits are recognised in the period when an application for a benefit has been received and the eligibility criteria met.

Where grants and subsidies are discretionary until payment, the expense is recognised when the payment is made. Otherwise, the expense is recognised when the specified criteria have been fulfilled and notice has been given to the Crown.

Foreign currency transactions

Transactions in foreign currencies are initially translated at the foreign exchange rate at the date of the transaction. Foreign exchange gains and losses, resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the Schedule of Non-Departmental Revenue or in the Schedule of Non-Departmental Expenses. Refer to Note 4 for information on foreign currency risk management.

Cash and cash equivalents

Cash and cash equivalents include cash in transit and funds held in bank accounts administered by MSD.

Commitments

Commitments are future expenses and liabilities to be incurred on contracts that have been entered into as at the balance date. Information on non-cancellable capital and operating commitments are reported in the Schedule of Non-Departmental Commitments.

Cancellable capital commitments that have penalty or exit costs explicit in their agreements on exercising that option to cancel are reported at the lower of the remaining contractual commitment and the value of those penalty or exit costs (i.e. the minimum future payments).

Goods and services tax (GST)

Items in the non-departmental statements and schedules financial statements are stated exclusive of GST, except for receivables and payables, which are stated inclusive of GST.

GST is returned on revenue received on behalf of the Crown, where applicable. However, an input tax deduction is not claimed on non-departmental expenditure. Instead, the amount of GST applicable to non-departmental expenditure is recognised as an expense in the Schedule of Non-Departmental Expenses.

Critical accounting estimates

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are in respect of the measurement of social benefit receivables – refer to Note 2.

Budget figures

The 2025 budget figures are for the year ended 30 June 2025, which are consistent with the best estimate financial information submitted to the Treasury for the BEFU for the year ended 30 June 2025.

2. Social Benefit Receivables

Social benefit receivables are carried at fair value through operating balance. Social benefit receivables arise from overpayments of benefits, advances on benefits and recoverable special needs grants. No interest is charged on these receivables and repayments are not required where it would create hardship. Loans are written off where the loan is with someone who passes away or becomes bankrupt.

MSD engaged Melville Jessup Weaver to estimate the fair value of the social benefit receivables as at 30 June 2025. The valuation estimates the future repayments of individual debtors under multiple scenarios and discounts these to present value.

Information provided to Melville Jessup Weaver includes the gross value of social benefit receivables and repayments in the last year. The fair value is used as the carrying value and the difference between the fair value and gross amount is the provision for impairment. Receivables are impaired on a collective basis.

Key assumptions used by the actuary in the valuation and resulting impairment are explained below:

- The nature of these receivables means that outcomes can be highly correlated and are subject to systemic risks. For example, default frequencies and repayment ability could be significantly impacted by:
 - unemployment
 - insolvency
 - mortality
 - people moving overseas
 - benefit eligibility.

- Forecast cash flows are based on the payment rate experience of the portfolio. Payment rate experience is modelled month-by-month for 50 years into the future.
- The Treasury risk-free discount rates are adjusted by adding a margin of 2.5 percent to obtain risk-adjusted discount rates.

The carrying value and the fair value are the same for these amounts. Since there is no market comparison, the fair value is determined by discounting the expected future cash flows by the appropriate interest rates at year-end. The effective interest rates applied at year-end were between 8.08 percent and 5.64 percent (7.07 percent and 7.80 percent as at 30 June 2024).

The fair value of the portfolio as at 30 June 2025 is \$1,553 million (\$1,426 million as at 30 June 2024), which has a resulting provision for impairment of \$1,366 million (\$1,269 million as at 30 June 2024).

Actual 2024 \$000	Actual 2025 \$000
Social benefit receivables	
2,695,175 Nominal value of receivables	2,919,174
2,695,175 Gross value of receivables	2,919,174
(1,268,767) (less) provision for impairment	(1,366,165)
1,426,408 Net social benefit receivables	1,553,009
Movements in the carrying value of the loans are as follows:	
1,303,968 Net social benefit receivables at 1 July	1,426,408
537,158 Face value of new receivables during the year	613,666
(525,069) Receivables repaid during the year	(584,463)
110,351 Subsequent net change in valuation	97,398
1,426,408 Net social benefit receivables at 30 June	1,553,009

There was an increase in the valuation of the social benefit receivables of \$97.398 million during the 2024/25 year (2024: increase of \$110.351 million).

Sensitivity analysis

The table below outlines the sensitivity of social benefit receivables fair value to discount rates and repayment rates. The impact on the provision for impairment is the inverse of these amounts (for example, a 1 percent increase in the discount rate increases the impairment provision by 1 percent).

Actual 2024 \$000	Actual 2025 \$000
Sensitivity of social benefit receivable carrying value to discount rates and repayment rates	
(64) Impact on fair value of a 1% increase in discount rate	(71)
70 Impact on fair value of a 1% decrease in discount rate	78
106 Impact on fair value of a 25% increase in repayment rate	121
(132) Impact on fair value of a 25% decrease in repayment rate	(153)

Interest rate risk is the risk that the fair value will fluctuate due to changes in interest rates. A range of interest rates is used for every duration year up to 50 years. The different interest rates used for various duration years have changed by between negative 2.16 percent and positive 0.57 percent for the 2024/25 financial year (2023/24: changed between negative 0.25 percent and positive 0.28 percent).

Social benefits receivable exposes MSD to credit risk, as borrowers may default on their loans or pass away before their loan is repaid. Social benefit debtors are not required to provide any collateral or security for their borrowings. However, as the total amount advanced is widely spread across many borrowers, the scheme does not have any material concentrations of credit risk. The credit risk is reduced by compulsory deductions from benefit and superannuation payments, provided hardship is not caused.

3. Student Loan Advances

Carrying value of Student Loans

As at 30 June 2025

Actual 2024 \$000	Actual 2025 \$000
Student loans	
- Opening nominal balance	2
1,437,736 New lending	1,794,107
(96,751) Repayment	(93,311)
(1,348,071) Loan balance transfer to IR	(1,709,096)
7,088 Administration fee	8,300
2 Closing nominal balance	2
2 Net carrying value of Student Loans	2

The Student Loan Scheme is administered by MSD in conjunction with the Ministry of Education and IR. MSD's role is to assess and make payments to students undertaking tertiary education. Student loans are transferred to IR each day for collection. The interest rate risk and the credit risk on student loans are held by IR.

4. Financial Instruments

Financial instrument categories

The carrying amounts of financial assets and financial liabilities in each of the financial instrument categories are:

Actual 2024 \$000	Actual 2025 \$000
Financial assets measured at amortised cost	
532,455 Cash and cash equivalents	378,094
68,888 Other receivables	79,580
601,343 Total financial assets measured at amortised cost	457,674
Financial liabilities measured at amortised cost	
1,361,829 Payables and accruals	592,469
128,671 Other current liabilities	357,324
1,490,500 Total financial liabilities measured at amortised cost	949,793

Financial instrument risks

MSD's activities expose it to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. MSD has a series of policies to manage the risks associated with financial instruments and seeks to minimise its exposure from financial instruments. These policies do not allow any transactions that are speculative in nature to be entered.

Credit risk

Credit risk is the risk that a third party will default on its obligation to MSD, causing MSD to incur a loss.

Credit risk arises from funds held with banks and receivables.

MSD's maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash and cash equivalents, and receivables. There is no collateral held as security against these financial instruments. Other than cash and cash equivalents with Westpac, there are no significant concentrations of credit risk.

The Standard & Poor's credit ratings for cash and cash equivalents held at Westpac is AA-. At 30 June 2025 no credit loss allowance has been recognised for cash and cash equivalents because the estimated loss is trivial.

Market risk

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. MSD has no material foreign exchange exposures.

Interest rate risk

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate, or that the cash flows from a financial instrument will fluctuate, due to changes in market interest rates. MSD has no exposure to interest rate risk.

Liquidity risk

Liquidity risk is the risk that MSD will encounter difficulty raising liquid funds to meet its commitments as they fall due.

In meeting its liquidity requirements, MSD closely monitors its forecast cash requirements with expected cash drawdowns from the New Zealand Debt Management Office. MSD maintains a target level of available cash to meet liquidity requirements.

Financial liabilities of \$949.793 million (2024: \$1,490.500 million) are due to be repaid in less than six months.

5. Explanation of Major Variances Against Budget

Schedule of non-departmental revenue and expenses

Non-departmental capital receipts

Non-departmental capital receipts exceeded budget by \$52.792 million, mainly due to higher recoveries of non-current benefit debts (\$37.442 million). This reflects increased benefit recipients and inflation-adjusted payment rates. Recoveries are volatile, and the variance cannot be linked to one specific factor with certainty.

Non-departmental output expenses

Non-departmental output expenses were \$156.961 million below budget, mainly due to a \$96.840 million underspend in Residential-Based Support Services. This reflects Cabinet decisions to reinstate budget controls, maintain existing funding levels, and cancel a planned \$92 million provider price increase. Although spending was initially high, reductions from January 2025 and a cautious funding approach led to lower year-end expenditure.

Non-departmental other expenses

Non-departmental other expenses were \$68.746 million above budget, mainly due to additional expenditure on Redress Payments (\$35.008 million) as a result of the Government's abuse in care response. This spending was not included in Budget 2024.

Other operating expenses

Other operating expenses were \$52.357 million lower than budgeted, primarily due to a lower effective GST than forecast, particularly in Enabling Good Lives providers, some of which are not registered for GST.

Schedule of non-departmental assets and liabilities

Non-departmental assets

Total assets were \$255.025 million above budget, mainly due to higher social benefit receivables and prepayments. Social benefit receivables exceeded budget by \$363.570 million, driven by increased demand for Housing Support Products, utility arrears and overpayments comprising \$43.596 million in current and \$319.974 million in non-current receivables. Prepayments were \$72.319 million higher due to the early payment of Supported Living Payments. These increases were partly offset by a \$202.285 million lower cash and cash equivalents due to the timing of cash drawdown.

Non-departmental liabilities

Total liabilities were \$396.089 million greater than budget, mainly due to variances in the timing of routine payments including PAYE (\$229.752 million) and benefits (\$187.288 million). This is partially offset by a payment of \$32.828 million made earlier than forecast for disability support services.

Benefits or Related Expenses

Benefits or related expenses includes the following significant expenditure types:

Actual 2024 \$000	Actual 2025 \$000
Benefits or Related Expenses	
2,410,658 Accommodation Assistance	2,232,026
463,614 Disability Assistance	491,784
667,421 Hardship Assistance	754,599
4,062,221 Jobseeker Support and Emergency Benefit	4,640,562
21,574,368 New Zealand Superannuation	23,191,199
383,743 Orphan's/Unsupported Child's Benefit	402,311
2,097,032 Sole Parent Support	2,255,092
525,895 Student Allowances	573,646
2,530,299 Supported Living Payment	2,668,450
948,233 Other Benefits or Related Expenses	1,057,867
35,663,484 Total Benefits or Related Expenses	38,267,536

Appropriation statements

The following statements report information about the expenses and capital expenditure incurred against each appropriation administered by MSD for the year ended 30 June 2025. They are prepared on a GST exclusive basis.

In these statements:

- **Remeasurements** are adjustments to departmental output expense appropriations and departmental output expense categories of multi-category appropriations relating to movement in the unvested long service leave provision due to changes in discount rates.
- **Appropriation** voted figures are from the 2024/25 Supplementary Estimates of Appropriations for Vote Social Development.
- **Location of end-of-year performance information** discloses where end-of year performance information is reported for each appropriation administered by MSD, as detailed below:
 1. Annual Report of the Ministry of Social Development
 2. Annual Report of the Children and Young People's Commission
 3. Vote Social Development Non-Departmental Appropriations Report
 4. Annual Report of the Social Workers Registration Board
 5. No reporting required due to an exemption obtained under section 15D of the PFA.

Statement of Cost Allocation Policies

MSD accumulates and allocates costs to departmental output expenses using a three-staged costing system, outlined below.

The first stage allocates all direct costs to output expenses when they are incurred.

The second stage accumulates and allocates indirect costs to output expenses based on cost drivers, such as FTE staff and workload information obtained from surveys and/or other data sources, which reflect an appropriate measure of resource consumption/use.

The third stage accumulates and allocates overhead costs to output expenses based on resource consumption/use where possible, such as the FTE-staff ratio, or where an appropriate driver cannot be found then in proportion to the cost charges in the previous two stages.

Criteria for direct and indirect costs

Direct costs are costs that vary directly with the level of activity and are causally related, and readily assignable to an output expense. Overhead costs are costs that do not vary with the level of activity undertaken. Indirect costs are costs other than direct costs or overhead costs.

There have been no changes in cost accounting policies since the date of the last audited financial statements.

Statement of Budgeted and Actual Expenses and Capital Expenditure Incurred Against Appropriations

For the year ended 30 June 2025

Annual and permanent appropriations for MSD.

Expenditure after remeasure- ments 2024 \$000	Expenditure before remeasure- ments 2025 \$000	Remeasure- ments 2025 \$000	Expenditure after remeasure- ments 2025 \$000	Approved appropria- tion 2025 \$000	Location of end-of-year performance information
Appropriation Title					
Vote Social Development					
Departmental output expenses					
7,258 Administration of Service Cards	7,949	2	7,951	8,025	1
17,230 Corporate Support Services	15,415	-	15,415	19,272	5
40,028 Data, Analytics and Evidence Services	35,746	7	35,753	39,793	1
1,398 Enhancement and Promotion of SuperGold Cards	1,728	-	1,728	1,729	1
60,623 Income Support and Assistance to Seniors	56,557	17	56,574	56,735	1
112 Investigating and Responding to Alleged Social Work Offending	120	-	120	235	1
57,495 Investigation of Overpayments and Fraudulent Payments and Collection of Overpayments	63,626	21	63,647	63,767	1
23,930 Management of Student Loans	29,785	9	29,794	30,001	1
23,935 Management of Student Support	29,640	9	29,649	29,815	1
3,960 Planning, Correspondence and Monitoring	7,520	2	7,522	7,775	1
20,865 Policy Advice	21,584	5	21,589	23,668	1
700 Processing of Veteran's Pensions	632	-	632	785	1
2,841 Promoting Positive Outcomes for Seniors	2,198	-	2,198	2,270	1
77,194 Services to Support People to Access Accommodation	89,700	19	89,719	93,473	1
337,569 Total departmental output expenses	362,200	91	362,291	377,343	

Expenditure after remeasure- ments 2024 \$000	Expenditure before remeasure- ments 2025 \$000	Remeasure- ments 2025 \$000	Expenditure after remeasure- ments 2025 \$000	Approved appropria- tion 2025 \$000	Location of end-of-year performance information
Appropriation Title					
Departmental capital expenditure					
84,245 Ministry of Social Development – Capital Expenditure Permanent Legislative Authority Under Section 24(1) of the Public Finance Act	58,585	-	58,585	88,926	1
84,245 Total departmental capital expenditure	58,585	-	58,585	88,926	
Non-departmental output expenses					
10,824 Children and Young People's Commission	5,250	-	5,250	5,250	2
95,577 Community Participation Services	114,155	-	114,155	116,223	3
13,547 Drivers Licence Support	18,975	-	18,975	19,460	3
917 Housing Place-based Approaches	917	-	917	917	5
2,363 Social Workers Registration Board	795	-	795	795	4
4,427 Student Placement Services	3,737	-	3,737	3,737	5
17,976 Supporting Equitable Pay for Care and Support Workers	17,336	-	17,336	17,415	5
145,631 Total non-departmental output expenses	161,165	-	161,165	163,797	
Non-departmental other expenses					
89,720 Apprentice Support	47,970	-	47,970	53,750	5
690 Business Support Subsidy COVID-19	-	-	-	-	5
13,481 COVID-19 Leave Support Scheme	-	-	-	-	5
136,921 Debt Write-downs	122,540	31,364	153,904	157,867	5
286 Disability-related Legal Expenses	467	-	467	3,064	5
1,821 Emergency Housing Support Package	1,181	-	1,181	1,450	5
2,040 Extraordinary Care Fund	2,127	-	2,127	2,308	5
22,223 Out of School Care and Recreation Programmes	22,601	-	22,601	23,901	3
5,060 Reimbursement of Income Related Rent Overpayments	4,518	-	4,518	4,908	5
272,242 Total non-departmental other expenses	201,404	31,364	232,768	247,248	

Expenditure after remeasure- ments 2024 \$000	Expenditure before remeasure- ments 2025 \$000	Remeasure- ments 2025 \$000	Expenditure after remeasure- ments 2025 \$000	Approved appropria- tion 2025 \$000	Location of end-of-year performance information
Appropriation Title					
Non-departmental capital expenditure					
1,300 Children and Young People's Commission Capital Programme	-	-	-	-	2
- Children and Young People's Commission Capital Injection	1,400	-	1,400	1,400	2
300,886 Recoverable Assistance	275,399	-	275,399	288,545	5
1,437,736 Student Loans	1,794,107	-	1,794,107	1,772,811	5
1,739,922 Total non-departmental capital expenditure	2,070,906	-	2,070,906	2,062,756	
Multi-Category Appropriations					
370,706 Community Support Services MCA	347,522	6	347,528	352,648	
Departmental output expenses					
43,539 Developing and Managing Community Services	41,231	6	41,237	41,584	1
6,922 Regional System Leadership Framework	5,580	-	5,580	5,600	1
Non-departmental output expenses					
32,867 Community Connectors	9,005	-	9,005	9,096	1
53,519 Community Support and Advice	60,776	-	60,776	62,233	1
1,469 Improving Children's Participation in Education	1,642	-	1,642	1,643	5
12,072 Participation and Support Services for Seniors	13,520	-	13,520	14,132	1
6,364 Place-based Approaches	6,364	-	6,364	6,691	1
177,917 Supporting Victims and Perpetrators of Family and Sexual Violence	194,355	-	194,355	196,669	1
Non-departmental other expenses					
36,037 Community Response to Adverse or Emergency Events	15,049	-	15,049	15,000	1

Expenditure after remeasure- ments 2024 \$000	Expenditure before remeasure- ments 2025 \$000	Remeasure- ments 2025 \$000	Expenditure after remeasure- ments 2025 \$000	Approved appropria- tion 2025 \$000	Location of end-of-year performance information
Appropriation Title					
111,613 Housing Support Assistance MCA	150,410	-	150,410	157,614	
Non-departmental output expenses					
1,018 Provision to Better Prepare People to Access and Sustain Private Rentals	1,051	-	1,051	2,063	5
Non-departmental other expenses					
601 Non-Recoverable Housing Support Assistance	1,567	-	1,567	1,601	1
Non-departmental capital expenditure					
109,994 Recoverable Housing Support Assistance	147,792	-	147,792	153,950	5
1,292,945 Improved Employment and Social Outcomes Support MCA	1,144,466	218	1,144,684	1,151,986	
Departmental output expenses					
505,427 Administering Income Support	452,405	156	452,561	449,139	1
553,516 Improving Employment Outcomes	451,152	53	451,205	447,095	1
3,629 Improving Employment Outcomes to Support People Impacted by Extreme Weather Events	9,577	-	9,577	10,212	1
126,041 Improving Work Readiness Outcomes	138,575	8	138,583	142,730	1
5,111 Jobs and Skills Hubs	6,038	1	6,039	8,755	1
Non-departmental output expenses					
41,635 He Poutama Rangatahi	41,871	-	41,871	44,177	1
30,235 Māori Trades and Training Programmes	15,881	-	15,881	20,911	1
2,208 Pacific Employment and Training Programmes	2,396	-	2,396	2,396	1
Non-departmental other expenses					
25,143 Flexi-Wage Employment Assistance	26,571	-	26,571	26,571	1

Expenditure after remeasure- ments 2024 \$000	Expenditure before remeasure- ments 2025 \$000	Remeasure- ments 2025 \$000	Expenditure after remeasure- ments 2025 \$000	Approved appropria- tion 2025 \$000	Location of end-of-year performance information
Appropriation Title					
21,097 Partnering for Youth Development MCA	23,293	1	23,294	23,722	
Departmental output expenses					
3,853 Administering Youth Development	5,880	1	5,881	6,305	1
Non-departmental output expenses					
17,244 Delivering Youth Development	17,413	-	17,413	17,417	1
- Redress for Abuse in Care MCA	35,167	-	35,167	38,089	
Departmental output expenses					
- Delivering Redress for Abuse in Care	159	-	159	3,081	1
Non-departmental other expenses					
- Redress Payments	35,008	-	35,008	35,008	1
2,331,078 Supporting Tāngata Whaikaha Māori and Disabled People MCA	2,414,204	-	2,414,204	2,605,566	
Departmental output expenses					
8,270 Connecting People with Supports and Communities	8,231	-	8,231	12,774	1
40,642 Stewardship of the Disability System	37,435	-	37,435	40,662	1
- Sustainability of Disability Support Services	4,795	-	4,795	12,100	1
Non-departmental output expenses					
826,564 Community-based Support Services	905,056	-	905,056	1,012,629	1
67,377 Connecting and Strengthening Disability Communities	62,507	-	62,507	66,901	1
59,804 Early Intervention Support Services	57,862	-	57,862	66,127	1
235,015 Environmental Support Services	233,793	-	233,793	245,001	1
1,091,337 Residential-based Support Services	1,103,850	-	1,103,850	1,148,293	1

Expenditure after remeasure- ments 2024 \$000	Expenditure before remeasure- ments 2025 \$000	Remeasure- ments 2025 \$000	Expenditure after remeasure- ments 2025 \$000	Approved appropria- tion 2025 \$000	Location of end-of-year performance information
Appropriation Title					
Non-departmental other expenses					
2,069 Community Capacity and Support	675	-	675	1,079	5
4,127,439 Total Multi-Category Appropriations	4,115,062	225	4,115,287	4,329,625	
Benefits or Related Expenses					
2,410,658 Accommodation Assistance	2,232,026	-	2,232,026	2,277,408	5
164,727 Childcare Assistance	167,204	-	167,204	183,046	5
463,614 Disability Assistance	491,784	-	491,784	499,120	5
- Emergency Housing Assistance	74,407	-	74,407	78,849	5
667,421 Hardship Assistance	754,599	-	754,599	785,330	5
4,062,221 Jobseeker Support and Emergency Benefit	4,640,562	-	4,640,562	4,711,258	5
21,574,368 New Zealand Superannuation	23,191,199	-	23,191,199	23,226,700	5
383,743 Orphan's/Unsupported Child's Benefit	402,311	-	402,311	410,499	5
2,097,032 Sole Parent Support	2,255,092	-	2,255,092	2,285,475	5
10,510 Special Circumstance Assistance	11,007	-	11,007	12,073	5
525,895 Student Allowances	573,646	-	573,646	607,734	5
17,719 Study Scholarships and Awards	15,523	-	15,523	22,546	5
2,530,299 Supported Living Payment	2,668,450	-	2,668,450	2,691,452	5
13,949 Training Incentive Allowance	15,699	-	15,699	18,155	5
2 Transitional Assistance	2	-	2	126	5
130,844 Veterans' Pension	131,128	-	131,128	132,543	5
536,531 Winter Energy Payment	561,678	-	561,678	578,335	5
3,129 Work Assistance	3,104	-	3,104	3,351	5
70,822 Youth Payment and Young Parent Payment	78,115	-	78,115	78,981	5
35,663,484 Total Benefits or Related Expenses	38,267,536	-	38,267,536	38,602,981	
42,370,532 Total Annual and Permanent Appropriations	45,236,858	31,680	45,268,538	45,872,676	
Multi-Year Appropriations					
Departmental output expenses					
- Historic Claims MYA	37,302	-	37,302	66,901	1
48,674 Historic Claims Resolution MYA	-	-	-	-	1
Departmental other expenses					
46,368 Te Pae Tawhiti - Horizon One MYA	70,782	-	70,782	117,116	1
95,042 Total Multi-Year Appropriations	108,084	-	108,084	184,017	

Expenditure after remeasure- ments 2024 \$000	Appropriation Title	Expenditure before remeasure- ments 2025 \$000	Remeasure- ments 2025 \$000	Expenditure after remeasure- ments 2025 \$000	Approved appropria- tion 2025 \$000	Location of end-of-year performance information
42,465,574	Total Vote Social Development	45,344,942	31,680	45,376,622	46,056,693	

No transfers were made under section 26A of the PFA.

Statement of Expenses and Capital Expenditure incurred without, or in excess of, Appropriation or Other Authority

For the year ended 30 June 2025

	Expenditure after remeasurements 2025 \$000	Approved appropriation 2025 \$000	Unappropriated expenditure 2025 \$000
Appropriation title			
Vote Social Development			
Non-departmental capital expenditure			
Student Loans	1,794,107	1,772,811	(21,296)

Expenses and capital expenditure approved under section 26B of the Public Finance Act

This expenditure relates to issuing student loans to tertiary students undertaking studies at approved tertiary institutions.

Student loans are available to any person who meets the requirements set by Cabinet. The amount appropriated in the estimates document represents MSD's forecast expenditure on student loans plus an additional amount to allow for estimation risk. Due to unexpectedly high demand, student loan expenditure exceeded the forecasted amount resulting in unappropriated expenditure.

MSD sought and received approval of \$34.576 million from the Minister of Finance to incur expenditure in excess of the existing appropriation, prior to 30 June 2025, under section 26B of the Public Finance Act 1989.

Expenses and capital expenditure incurred in excess of appropriation

Nil.

Expenses and capital expenditure incurred without appropriation or outside scope or period of appropriation

Nil.

Statement of Departmental Capital Injections

For the year ended 30 June 2025

Actual Capital 2024 \$000	Type of appropriation	Actual Capital 2025 \$000	Approved Appropriation 2025 \$000
25,991	Ministry of Social Development - Capital Injection	15,104	15,128
25,991	Balance at 30 June	15,104	15,128

Statement of Departmental Capital Injections without, or in excess of, Authority

For the year ended 30 June 2025

MSD has not received any capital injections during the year without, or in excess of, authority.

Independent auditor's report

Te pūrongo kaiōtita motuhake

To the readers of the Ministry of Social Development's annual report for the year ended 30 June 2025

The Auditor-General is the auditor of the Ministry of Social Development (the Ministry). The Auditor-General has appointed me, Ingrid Harris, using the staff and resources of Audit New Zealand, to carry out, on his behalf, the audit of:

- The annual financial statements of the Ministry that comprise the statement of financial position, statement of commitments, statement of contingent liabilities and contingent assets as at 30 June 2025, the statement of comprehensive revenue and expenses, statement of changes in equity, and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information on pages 138 to 168.
- The end-of-year performance information for appropriations of the Ministry for the year ended 30 June 2025 on pages 47 to 111.
- The statements of expenses and capital expenditure of the Ministry for the year ended 30 June 2025 on pages 183 to 191.
- The schedules of non-departmental activities which are managed by the Ministry on behalf of the Crown on pages 169 to 182 that comprise:
 - the schedules of assets; liabilities; commitments; and contingent liabilities and assets as at 30 June 2025;
 - the schedules of expenses; capital receipts; and revenue for the year ended 30 June 2025; and
 - the notes to the schedules that include accounting policies and other explanatory information.
- The statement of trust monies for the year ended 30 June 2025 on pages 173 to 174.

Opinion

In our opinion:

- The annual financial statements of the Ministry:
 - fairly present, in all material respects:
 - its financial position as at 30 June 2025; and
 - its financial performance and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with the Public Benefit Entity Reporting Standards.

- The end-of-year performance information for appropriations:
 - provides an appropriate and meaningful basis to enable readers to assess what has been achieved with the appropriation; determined in accordance with generally accepted accounting practice in New Zealand; and
 - fairly presents, in all material respects:
 - what has been achieved with the appropriation; and
 - the actual expenses or capital expenditure incurred in relation to the appropriation as compared with the expenses or capital expenditure that were appropriated or forecast to be incurred; and
 - complies with generally accepted accounting practice in New Zealand in accordance with the Public Benefit Entity Reporting Standards.
- The statements of expenses and capital expenditure of the Ministry have been prepared, in all material respects, in accordance with the requirements of section 45A of the Public Finance Act 1989.
- The schedules of non-departmental activities which are managed by the Ministry on behalf of the Crown have been prepared, in all material respects, in accordance with the Treasury Instructions. The schedules comprise:
 - the assets, liabilities, commitments, and contingent liabilities and assets as at 30 June 2025; and
 - expenses, and revenue for the year ended 30 June 2025.
- The statement of trust monies for the year ended 30 June 2025 has been prepared, in all material respects, in accordance with the Treasury Instructions.

Our audit was completed on 30 September 2025. This is the date at which our opinion is expressed.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards, the International Standards on Auditing (New Zealand), and New Zealand Auditing Standard 1 (Revised): The Audit of Service Performance Information issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of the Chief Executive for the information to be audited

The Chief Executive is responsible on behalf of the Ministry for preparing:

- Annual financial statements that fairly present the Ministry's financial position, financial performance, and its cash flows, and that comply with generally accepted accounting practice in New Zealand.

- End-of-year performance information for appropriations that:
 - provides an appropriate and meaningful basis to enable readers to assess what has been achieved with the appropriation; determined in accordance with generally accepted accounting practice in New Zealand;
 - fairly presents what has been achieved with the appropriation;
 - fairly presents the actual expenses or capital expenditure incurred in relation to the appropriation as compared with the expenses or capital expenditure that were appropriated or forecast to be incurred; and
 - complies with generally accepted accounting practice in New Zealand.
- Statements of expenses and capital expenditure of the Ministry, that are prepared in accordance with section 45A of the Public Finance Act 1989.
- Schedules of non-departmental activities, prepared in accordance with the Treasury Instructions, of the activities managed by the Ministry on behalf of the Crown.
- Statement of trust monies in accordance with the Treasury Instructions.

The Chief Executive is responsible for such internal control as is determined is necessary to enable the preparation of the information to be audited that is free from material misstatement, whether due to fraud or error.

In preparing the information to be audited, the Chief Executive is responsible on behalf of the Ministry for assessing the Ministry's ability to continue as a going concern.

The Chief Executive's responsibilities arise from the Public Finance Act 1989.

Responsibilities of the auditor for the information to be audited

Our objectives are to obtain reasonable assurance about whether the information we audited, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of the information we audited.

For the budget information reported in the information we audited, our procedures were limited to checking that the information agreed to the Estimates of Appropriations for the Government of New Zealand for the Year Ending 30 June 2025. For the forecast financial information for the year ending 30 June 2026, our procedures were limited to checking to the best estimate financial forecast information based on the Budget Economic Fiscal Update for the year ending 30 June 2026.

We did not evaluate the security and controls over the electronic publication of the information we audited.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the information we audited, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ministry's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive.
- We evaluate whether the end-of-year performance information for appropriations:
 - provides an appropriate and meaningful basis to enable readers to assess what has been achieved with the appropriation. We make our evaluation by reference to generally accepted accounting practice in New Zealand; and
 - fairly presents what has been achieved with the appropriation.
- We evaluate whether the statements of expenses and capital expenditure, schedules of non-departmental activities, and statement of trust monies have been prepared in accordance with legislative requirements.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Chief Executive.
- We evaluate the overall presentation, structure and content of the information we audited, including the disclosures, and whether the information we audited represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Chief Executive regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Chief Executive is responsible for the other information. The other information comprises all of the information included in the annual report other than the information we audited and our auditor's report thereon.

Our opinion on the information we audited does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the information we audited or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

The Minister for Social Development and Employment's report on relevant non-departmental appropriations that is appended to the Ministry's annual report is not part of the Ministry's annual report. The Public Finance Act 1989 does not require the information in the Minister's report to be audited and we have performed no procedures over the information in the Minister's report.

Independence

We are independent of the Ministry in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests in, the Ministry.



Ingrid Harris | Audit New Zealand

On behalf of the Auditor-General Wellington,
New Zealand

Vote Social Development Non-Departmental Appropriations Report 2025

Pōti Whakahiato Ora
Te Pūrongo o ngā Tohanga Tūmataiti
2025

Presented to the House of Representatives pursuant to section 19B of the Public Finance Act 1989

Contents

Foreword	200
-----------------	------------

Summary of performance	201
-------------------------------	------------

Non-departmental output expenses	202
----------------------------------	-----

Community Participation Services	202
----------------------------------	-----

Drivers Licence Support	203
-------------------------	-----

Non-departmental other expenses	204
---------------------------------	-----

Out of School Care and Recreation Programmes	204
--	-----

Appropriations not reported	206
------------------------------------	------------

Foreword

In accordance with section 19B of the Public Finance Act 1989 (the Act), as the appropriation Minister, I submit the following report on those non-departmental appropriations in Vote Social Development that are not reported to Parliament through other reporting mechanisms and are not granted an exemption from performance reporting under section 15D of the Act.

The relevant appropriations are:

Non-departmental output expenses:

- Community Participation Services
- Drivers Licence Support.

Non-departmental other expenses:

- Out of School Care and Recreation Programmes.

This report outlines what was intended to be achieved by each of the appropriations, and results delivered by third-party service providers funded by the Ministry of Social Development (MSD).

This report includes non-financial and financial performance for the relevant non-departmental appropriations for the period 1 July 2024 to 30 June 2025.

Non-departmental output expenses captured under multi-category appropriations (MCAs) within Vote Social Development are reported in MSD's Annual Report. Appropriations that were granted an exemption from performance reporting, or that are to be reported by other agencies, are listed at the end of this report.

The performance information in this report has not been audited.



Hon Louise Upston

Minister for Social Development and Employment

Summary of performance

Additional information has been included to support the reader in understanding performance. The following criteria have been applied to help ensure relevant and useful information is included:

- Commentary is provided for Estimates performance measures which did not meet the standard or exceeded the standard by more than 10 percent (MSD’s threshold for significance).
- Disclosures outline significant changes to measures, standards or methodology from 2023/24.
- Notes are used to provide additional information and explanations to support the reader to understand the measures. These follow the relevant tables.
- Contextual tables provide information on volumes and scale to help the reader better understand performance. Prior year information is provided, where available, for comparison.

Status indicators

Met or exceeded standard	
Did not meet the standard	

Non-departmental output expenses

Community Participation Services

Scope of appropriation: This appropriation is limited to the provision of services, resources, assistance and support to people so they can participate in and contribute to the wider community.

What is intended to be achieved with this appropriation: This appropriation is intended to achieve an increase in opportunities for disabled people to fully participate in their communities by enhancing the skills, knowledge and services available to them.

100%
achieved

Achieved 1 out of 1 performance measure

Performance information

2023/24 Actual	Measure	2024/25		
		Standard	Actual	Status
10,722	The number of disabled people supported to participate in their communities will be no fewer than (Note 1)	10,200	11,930	✓

The standard was significantly exceeded. Additional community participation places were made available for 2024/25 which enabled more disabled people to be supported.

Note 1: The provider and the client discuss the client's aspirations and goals with respect to participating and contributing to their communities and develop an individual plan for realising the person's goals. Goals can include developing skills for everyday living, participating in community activities, and contributing to the community through voluntary work and training.

Financial information

2023/24	Financial performance	2024/25		
Actual	(Figures are GST exclusive)	Budgeted	Revised	Actual
\$000		\$000	\$000	\$000
Non-Departmental Output Expenses				
95,577	Community Participation Services	116,223	116,223	114,155
95,577	Total Expense	116,223	116,223	114,155

Drivers Licence Support

Scope of appropriation: This appropriation is limited to providing driver licensing assistance to eligible people who face significant barriers to obtaining a driver licence.

What is intended to be achieved with this appropriation: This appropriation is intended to achieve equitable access to driver licences to improve employment, wellbeing and safety outcomes.

100%
achieved

Achieved 1 out of 1 performance measure

Performance information

The Drivers Licence Support programme supports equity for people disadvantaged by barriers to obtaining a New Zealand driver licence. The programme covers class 1 learner, restricted or full driver licences. Community providers are funded to deliver driver licence support services through a national contracting framework.

2023/24 Actual	Measure	2024/25		
		Standard	Actual	Status
17,748	The contracted provision for the number of drivers licence support places offered aligns with sector capacity and provides coverage for no less than (Disclosure 1 and Note 1)	19,000	21,063	✓

The standard was exceeded by 10.9 percent. The Drivers Licence Support programme was able to expand access by reallocating underspent participant fee funding to purchase extra restricted and full licence places.

Disclosure 1: The wording of this measure has been adjusted for clarity and the budget standard has been increased to reflect the funding allocated for the 2024/25 financial year.

Note 1: This is a multi-agency initiative led by MSD and Waka Kotahi. As it is shared, the measure related to the drivers licence support places across the entire initiative. The new MSD funding framework allows for associated programmes and partnerships at a regional level to contract drivers licence support services.

Financial information

2023/24	Financial performance	2024/25		
Actual	(Figures are GST exclusive)	Budgeted	Revised	Actual
\$000		\$000	\$000	\$000
Non-Departmental Output Expenses				
13,547	Driver Licence Support	19,000	19,460	18,975
13,547	Total Expense	19,000	19,460	18,975

Non-departmental other expenses

Out of School Care and Recreation Programmes

Scope of appropriation: This appropriation is limited to the provision of assistance to Out of School Care and Recreation (OSCAR) programmes approved in accordance with regulations made under the Social Security Act 2018, to assist with the establishment and/or operating costs of OSCAR programmes.

What is intended to be achieved with this appropriation: This appropriation is intended to achieve increased opportunities for parents and caregivers to gain and sustain employment.

100%
achieved

Achieved 3 out of 3 performance measures

Performance information

This appropriation contributes towards the provision of quality, affordable out of school care and recreation programmes for school-age (five to 13 year-old) children to assist more parents and caregivers to participate in employment or training. OSCAR funding covers the delivery of before-school care, after-school care and school holiday programmes.

2023/24 Actual	Measure	2024/25		
		Standard	Actual	Status
100%	Percentage of identified service gaps filled a year (Note 1)	100%	100%	✓
100%	Percentage of providers that successfully meet attendance record quality sampling (Note 2)	90%	97%	✓
100%	Percentage of OSCAR programmes that successfully meet monitoring requirements (Note 3)	90%	99.8%	✓

Note 1: ‘Service gap’ is defined as an area where service coverage is non-existent or limited and funding is required to support delivery.

Note 2: Each year MSD undertakes a sample of provider attendance reports to ensure that attendance matches or exceeds funded places.

Note 3: Monitoring requirements include viewing the attendance records for the day, ensuring the correct funded venue, assessing the general quality of delivery and observing child engagement. Together with the above measure, this demonstrates that service quality and reporting requirements are being met, helping to ensure service continuity.

The following information is provided for context:

	2023/24	2024/25
Number of OSCAR providers (at 30 June 2025)	472	488

Financial performance

2023/24	Financial performance (Figures are GST exclusive)	2024/25		
		Budgeted	Revised	Actual
		\$000	\$000	\$000
	Non-Departmental Output Expenses			
22,223	Out of School Care and Recreation Programmes	23,901	23,901	22,601
22,223	Total Expense	23,901	23,901	22,601

Appropriations not reported

The following appropriations in Vote Social Development are not included in this report, for the reasons stated below.

To be reported in the Annual Report of the Children and Young People's Commission

Non-departmental output expense:

Children and Young People's Commission.

Non-departmental capital expense:

Children and Young People's Commission Capital Injection.

To be reported in the Annual Report of the Social Workers Registration Board

Non-departmental output expense:

Social Workers Registration Board.

Exempted from reporting under section 15D(1) of the Public Finance Act 1989 (Note 1)

Departmental output expense:

Corporate Support Services.

Exempted from reporting under section 15D(2)(b)(ii) of the Public Finance Act 1989 (Note 2)

Non-departmental output expense:

Supporting Equitable Pay for Care and Support Workers.

Non-departmental benefit or related expenses:

Accommodation Assistance

Childcare Assistance

Disability Assistance

Emergency Housing Assistance

Hardship Assistance

Jobseeker Support and Emergency Benefit

New Zealand Superannuation

Orphan's/Unsupported Child's Benefit
Sole Parent Support
Special Circumstance Assistance
Student Allowances
Study Scholarships and Awards
Supported Living Payment
Training Incentive Allowance
Transitional Assistance
Veterans' Pension
Winter Energy Payment
Work Assistance
Youth Payment and Young Parent Payment.

Non-departmental other expenses:

Apprentice Support
Debt Write-downs
Reimbursement of Income Related Rent Overpayments
Redress Payments category in the Redress for Abuse in Care MCA.

Non-departmental capital expenditure:

Recoverable Assistance
Recoverable Housing Support Assistance category in the Housing Support Assistance MCA
Student Loans.

Exempted from reporting under section 15D(2)(b)(iii) of the Public Finance Act 1989 (Note 3)

Non-departmental output expenses:

Housing Place-Based Approaches
Student Placement Services
Improving Children's Participation in Education category in the Community Support Services MCA
Provision to better prepare people to access and sustain private rentals category in the Housing Support Assistance MCA.

Non-departmental other expenses:

Disability-related Legal Expenses
Emergency Housing Support Package

Extraordinary Care Fund

Community Capacity and Support category in the Supporting Tāngata Whaikaha Māori and Disabled People MCA.

Note 1: Under section 15D(1), a departmental appropriation or category may be exempted from reporting if it relates exclusively to outputs supplied by a department to one or more other departments.

Note 2: Under section 15D(2)(b)(ii), a non-departmental appropriation or category may be exempted from reporting if end-of-year performance information is not likely to be informative in the light of the nature of the transaction or causal event giving rise to the expenses or capital expenditure.

Note 3: Under section 15D(2)(b)(iii), a non-departmental appropriation or category may be exempted from reporting if the amount of the annual appropriation or the projected amount of the expenses or non-departmental capital expenditure in the category is less than \$5 million for expenses or less than \$15 million for capital expenditure.

