

Briefing to the Incoming Minister

# Social Development

2020



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



Over  
**8,000**  
people work at MSD<sup>1</sup>



MSD is in around  
**180**  
locations

### Vote Social Development



**\$36.8 billion**

Vote Social Development in 2020/21



**\$29.5 billion**

of the Vote covers the payment of  
benefits and other related expenses



**25,447**

people were on the Public Housing  
Register as at 2 October 2020



**353,440**

working-age people were receiving a  
main benefit as at the end of June 2020



**129,424**

student loan and student allowance  
applications were processed between  
1 January – 30 June 2020



**818,765**

people received New Zealand  
Superannuation at the end of  
September 2020

<sup>1</sup> The number of people working at MSD has increased due to COVID-19.

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## Welcome to the Social Development portfolio

To help support you in your role, we have put together this briefing, which provides you with information on:

- the Social Development portfolio
- an overview of the Ministry of Social Development (MSD or the Ministry)
- MSD's current areas of focus and the continued impact COVID-19 has had on our services and communities
- how MSD responded to COVID-19 and how we are supporting the ongoing response and recovery
- the key decisions and matters requiring your early attention
- other areas of focus and responsibility
- your key Ministry contacts.

We will be providing you with additional information on our current focus areas – employment, income support, housing and community resilience.

We can also provide you with any additional information you require regarding the Social Development portfolio.

We look forward to working with you over the coming term and discussing the most effective ways we can support you, your priorities and your responsibilities.

## Scope of your portfolio

The Social Development portfolio covers the oversight of New Zealand's social welfare system – including the provision of employment services, income support for people with low or no income, students and superannuation, housing support, community partnerships and programmes, and social policy and investment advice.

### As Minister for Social Development

You are the Responsible Minister for the Ministry of Social Development – meaning you are accountable to Parliament for the overall efficiency and effectiveness of the Ministry. You are also responsible for most of the appropriations within Vote Social Development. Details regarding the other appropriations within this Vote are outlined in Appendix 3.

### The Social Development portfolio

The Social Development portfolio directly influences the strength and fabric of New Zealand's society and economy.

Your portfolio includes the oversight of New Zealand's social welfare system, covering:

**Employment services** – through case management, training, partnering with employers and providing other services to help people get into sustainable work

#### A range of income support payments for:

- people with low or no income, through the provision of main benefits and supplementary assistance
- students, through the provision of student allowances and student loans<sup>2</sup>
- seniors, through the provision of New Zealand Superannuation and the Veteran's Pension<sup>3</sup>

**Housing support** – through the provision of financial assistance and managing the Public Housing Register

**Community partnerships and programmes** – including partnering with iwi, providing services to people through community-based providers, for example, building financial capability, and providing services to prevent and respond to family and sexual violence

**Social policy and investment advice** – that has been informed by data and evidence, with the aim of achieving the best possible outcomes for New Zealanders from the Ministry's funding and system settings.

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<sup>2</sup> MSD administers the payment of student loans on behalf of the Minister of Revenue.

<sup>3</sup> MSD administers the payment of the Veteran's Pension on behalf of the Minister for Veterans.

Over the recent months, we have also delivered a range of bespoke services across the above areas in response to COVID-19. For example, the Wage Subsidy (original), the Wage Subsidy (extension), the Wage Subsidy (resurgence), the Leave Support Scheme and the COVID-19 Income Relief Payment (CIRP).

Some areas of responsibility for employment and housing have been shared with the Minister of Employment and the Minister of Housing.

## Appropriation responsibilities

Of the \$36.8 billion in the Vote Social Development for 2020/21, the key appropriations are:

- \$29.5 billion allocated to Benefits and other related expenses (BoRE), which is payment of direct financial assistance such as benefits, Superannuation and Jobseeker Support and Emergency Benefit. This amount includes BoRE payments related to the COVID-19 response \$440 million
- \$1.7 billion is for Student Loans
- \$422 million is for Recoverable Assistance
- \$2.7 billion is for COVID-19 Business Support Subsidy<sup>4</sup> and COVID-19 Leave Support Scheme
- \$204 million is for COVID-19 Apprentice Support Scheme
- approx. \$419 million is for non-departmental service providers (for example community groups)
- approx. \$1.6 billion covers the operating and third party contracted services for the Ministry (this includes the Improved Employment and Social Outcomes Support Multi-Category Appropriation [MCA] and the Community Support Services MCA, a portion of which covers third party payments).

As part of Budget 2019, the Treasury undertook a baseline review with MSD, which resulted in MSD securing additional time-limited funding to respond to core organisational cost pressures. Over the past year, MSD has received further cost-pressure funding relating to increased demand from COVID-19.

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<sup>4</sup> Business Support Subsidy is the appropriation that includes the payment of wage subsidies

## **Additional functions**

The Social Development portfolio includes three Crown entities.

### **Crown entities**

You are also the responsible Minister for three Crown entities, for which MSD provides monitoring-related advice and appointment support.

#### **The New Zealand Artificial Limb Service (NZALS)**

NZALS is an autonomous Crown entity that is a specialist health care provider that manufactures high-technology medical devices, mainly artificial limbs, for individual patients with integrated rehabilitation and co-ordination of care services.

#### **The Social Workers Registration Board (SWRB)**

SWRB is a Crown agent that manages the registration of social workers and protects public safety by ensuring that registered social workers are competent, fit to practise, and accountable for the way in which they practise.

#### **The Office of the Children's Commissioner (OCC)**

The OCC is an independent Crown entity that encourages government and organisations to take more child-centred approaches, to advocate for improving children's wellbeing, and to raise awareness of issues that affect children.

More information about these services can be found on pages 38-39.

## An overview of the Ministry of Social Development

MSD is one of New Zealand's largest government agencies: we promote social development by helping to build successful individuals, whānau and communities.

We support you in your portfolio by working with you to deliver your priorities. As part of this, we also provide you with social policy advice.

### About MSD

Our purpose – **Manaaki tangata, manaaki whānau. We help New Zealanders to be safe, strong and independent** – forms the basis for what we do. MSD is centred on helping people, whānau and communities, and contributing positively to the wellbeing of people today and into the future.

We are a large and diverse organisation with over 8,000 staff<sup>5</sup> across the country, with 6,500 in the Service Delivery team. With the following ethnic breakdown<sup>6</sup>:

- 60.4 percent European
- 24.1 percent Māori
- 16.9 percent Pacific
- 14.9 percent Asian
- 1.5 percent MELAA<sup>7</sup>.

Our core responsibilities include providing New Zealanders with:

- employment services
- income support
- housing services
- supporting communities.

We also support youth, students, people of working age and seniors through delivering a wide range of services, and funding community providers. Our key services are outlined on pages 16-17.

We administer a range of legislation that provides the framework and requirements that support MSD and ensure a fair welfare system for all New Zealanders. The most significant of these is the Social Security Act 2018, which we administer. A full list of the legislation we manage and/or administer is on page 46.

To support you in the delivery of your priorities, we provide you with policy advice on the welfare system and on the wider social development sector; employment, income and housing support; regional development; issues faced by seniors and people with a disability; child- and youth-related policy; and international policy.

<sup>5</sup> The number of people working at MSD has increased due to COVID-19.

<sup>6</sup> Of the staff that disclosed their ethnicity. Some people identified with more than one ethnic group.

<sup>7</sup> MELAA refers to Middle Eastern, Latin American and African ethnicities.

To help extend our reach and provide services more effectively, we partner with both government and non-government organisations. While we lead and co-ordinate policy development for the Government, we also work with others to achieve outcomes.

MSD regularly produces and publishes data and evidence reports to inform our work, including:

- regular reporting and forecasts of the benefit system<sup>8</sup>
- research on a range of topics, including household incomes, and families and whānau wellbeing
- evaluations of services, programmes, pilots and trials.

## **Māori-Crown relations and the National Iwi Chairs Forum**

MSD leads two significant Treaty of Waitangi post-settlement accords, which are known as the Social Accords. Within MSD, the Māori Communities and Partnerships (MCP) group leads the Crown dimension of long-term social and economic development work under the Te Hiku Accord and Tuhoe Service Management Plan.

MCP also supports wider MSD participation in other post-settlement accords, such as the Waikato River Accord.

More broadly, MSD has for many years had a positive relationship with the National Iwi Chairs Forum, which continues to the present day with MSD playing a role in key economic and social discussions that take place with the Forum. In addition to the relationship with the Forum, MCP has also worked to foster strong and lasting relationships with a range of individual iwi.

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<sup>8</sup> Informed by Treasury forecasts and Stats NZ data.

## Our regional footprint

One of our strengths is our large regional and community presence, with clients being able to access services through our network of around 180 office locations, including more than 120 service centres in towns and cities throughout the country where people can see the financial and other assistance they need. We have recently remodelled 35 of our service centres to focus on all-of-government connected sites with a strong focus on employment.

Increasingly we are providing our services remotely, that is outside the traditional service centre model. These include phone and digital channels.

In smaller communities we make use of local Heartland Services arrangements, where people can access the services of several different government agencies in one place. Five of the Heartland Services centres operate from MSD sites.

Our wide regional network positions us well to work with clients, whānau, service providers and other local and central government agencies to identify needs and deliver support at a regional and community level. This can be especially important for small communities, as MSD is often the only public service agency with a presence in the region and available to provide support.

Over the last few years, we have also taken a number of steps to strengthen our service culture to improve the experience for our clients.

Among the changes we have made are:

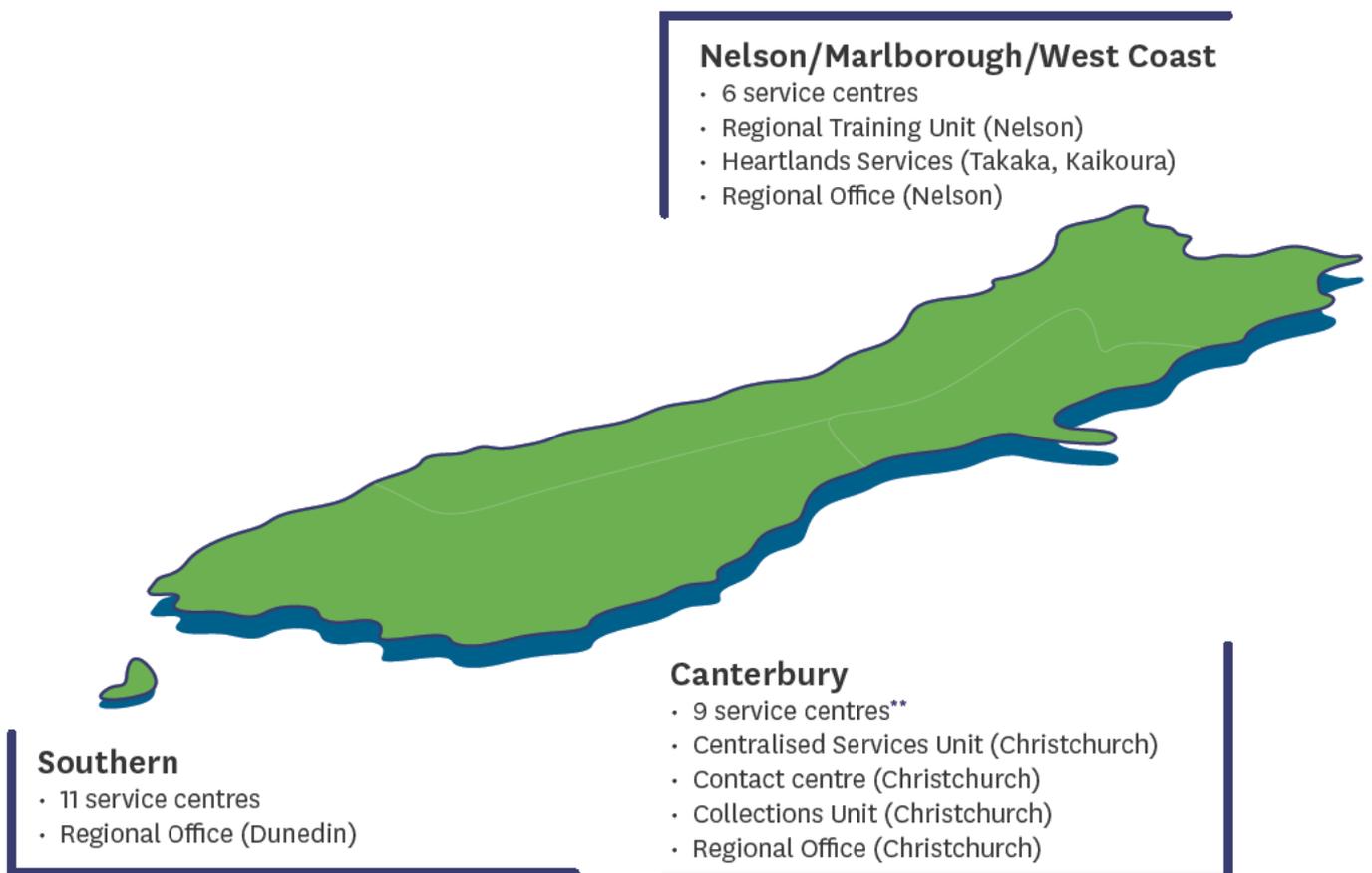
- making service centres warm and welcoming for clients
- making it easier for clients to access information and support that's right for them
- making it more convenient to access our services by improving our online and phone services.

We are continuing to work on improvements to our services so we can respond to changing needs.

The map on the next page shows our footprint across New Zealand.

## MSD service locations

We operate from locations across New Zealand, some of which are multifunctional

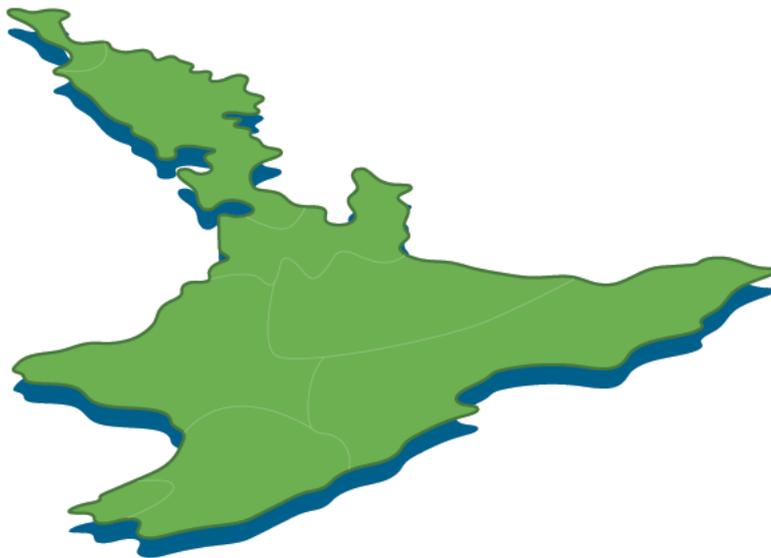


## Northland

- 7 service centres
- Centralised Services (Whangarei)
- Fraud and Investigations Unit (Whangarei)
- Specialised Processing Services (Whangarei)
- Regional Office (Whangarei)

## Auckland

- 34 service centres\*
- Historic Claims Unit (Takapuna)
- Crown Accounting Services (Waitakere)
- Regional Training Units (Waitakere, Onehunga, Mangere)
- Contact centres (Waitakere, Ellerslie)
- Fraud and Investigations Unit (Avondale)
- Legal Services Unit (Auckland Central)
- IT Resilience Unit (Auckland Central)
- Centralised Housing Unit (Ellerslie)
- Regional Office



## Bay of Plenty

- 11 service centres
- Regional Training Unit (Tauranga)
- Heartlands Services (Kawerau, Opotiki)
- Legal Services (Rotorua)
- Fraud and Investigations Unit (Rotorua)
- National Claims Processing Unit (Rotorua)
- National Accounting Centre (Rotorua)
- Regional Office (Rotorua)

## Waikato

- 13 service centres
- Centralised Services Unit (Hamilton)
- Fraud and Investigations Unit (Hamilton)
- Regional Office (Hamilton)

## East Coast

- 9 service centres
- StudyLink Processing Centre (Gisborne)
- Fraud and Investigations Unit (Napier)
- Heartlands Services (Waipukurau)
- Regional Office (Napier)

## Taranaki

- 10 service centres
- Centralised Services Unit (Whanganui)
- Regional Office (New Plymouth)

## Wellington

- 8 service centres
- Regional Training Unit (Porirua)
- Contact centre (Lower Hutt)
- Fraud and Investigation Unit (Lower Hutt)
- Integrity Intervention Centre (Lower Hutt)
- Crown Accounting Services (Lower Hutt)
- Centralised Services Unit (Wellington)
- Specialised Processing Centre (Wellington)
- Seniors Support Centre (Wellington)
- Regional Office (Wellington)
- National Office complex (Wellington)

## Central

- 8 service centres
- StudyLink Centralised Services (Palmerston North)
- Fraud and Investigations Unit (Palmerston North)
- Regional Training Unit (Palmerston North)
- Heartlands Services (Pahiatua)
- Regional Office (Palmerston North)

\* Includes one closed for seismic strengthening.

\*\* Chatham Islands residents may access our services through the local Heartland Services centre or through digital channels. Case management is carried out by the Riccarton Service Centre.

# Services we provide

We deliver the following assistance.



## Benefits

- **Jobseeker Support** – A weekly payment that helps people until they find work
- **Sole Parent Support** – A weekly payment that helps single parents find part-time work or get ready for future work
- **Supported Living Payment** – A weekly payment for people who have, or are caring for someone with, a health condition, injury or disability
- **Young Parent Payment and Youth Payment** – A weekly payment to help young parents and young people
- **Emergency Benefit** – A payment for people who cannot support themselves and do not qualify for any other payment
- **Emergency Maintenance Allowance** – Assistance that may be paid to sole parents who do not qualify for any other payment



## COVID-19 assistance

- **COVID-19 Wage Subsidy** – A lump sum payment to cover a 12-week period paid to employers or self-employed people whose income was affected by COVID-19 (paid from 27 March to 9 June 2020)
- **COVID-19 Wage Subsidy extension** – A lump sum payment to cover eight weeks from the date of application, as an extension of previous wage subsidies in response to COVID-19 (introduced from 10 June 2020)
- **COVID-19 Income Relief Payment** – A weekly payment for a period of 12 weeks to support those who have lost employment due to COVID-19

- **COVID-19 Leave Support Scheme** – A lump sum payment to cover a four-week period for people who were required to self-isolate and unable to work from home and gain any income (paid from 28 April 2020)



## Other financial support (including for non-beneficiaries)

- **Winter Energy Payment** – An extra payment to help with the cost of heating a home over the winter months (May to September)
- **Disability Allowance** – A weekly payment for people who have regular, ongoing costs because of a disability, such as visits to the doctor or hospital, medicines, extra clothing or travel
- **Special Disability Allowance** – A weekly payment for people who have a spouse or partner who is in residential care, or has been in a public hospital for over 13 weeks
- **Working for Families Tax Credit** – Help from MSD and Inland Revenue (IR) to make it easier to work and raise a family
- **Hardship Assistance** – Help for people with emergency or essential costs, e.g. civil defence payments, funeral grants, live organ donor assistance, temporary additional support, temporary accommodation assistance, special needs grant



## Housing assistance and support

- **Accommodation Supplement** – A weekly payment to help people with their rent, board or the cost of owning a home
- **Emergency Housing Special Needs Grant** – Assistance (paid to the landlord) to get people into emergency housing where there is urgent need



## Support for children and youth

- **Orphan's Benefit and Unsupported Child's Benefit** – A weekly payment to support the caregiver of a child whose parents can't support them

- **Childcare Subsidy** – A payment that helps families with the cost of pre-school childcare
- **Child Disability Allowance** – A fortnightly payment to the main carer of a child or young person with a serious disability, in recognition of the extra care and attention needed for that child
- **Extraordinary Care Fund** – A payment to people who are caring for a child, and getting an Orphan's Benefit or Unsupported Child's Benefit for the child
- **School and Year Start-up Payment** – A grant to a person who is caring for someone else's child and needs help with pre-school or school-related costs at the beginning of the year
- **Away from Home Allowance** – A weekly payment that helps carers with living costs for 16- or 17-year-olds who are living away from home while on a tertiary or training course
- **Early Learning payment** – To help with the costs of early childhood education for children aged 18 months to three years who are from families enrolled in selected Family Start or Early Start programmes.

## 65+ Superannuation

- **New Zealand Superannuation** – A fortnightly payment for people aged 65 and over
- **Veteran's Pension** – A fortnightly payment for veterans who have qualifying operational service in the New Zealand Armed Forces

## Student financial support

- **Jobseeker Support Student Hardship** – A weekly payment to help with living expenses during a study break of more than three weeks
- **Student Allowances** – A weekly payment that can help with living expenses while studying
- **Student Loans** – A loan to help pay for course fees (the compulsory fees charged by an education provider), study materials (e.g. books, computer, travel) and living costs
- **Study scholarships and awards** – StudyLink pays scholarships that are awarded through secondary and tertiary institutions

## Employment services

- **Transition to Work Grant** – Covers specific costs associated with getting people into work
- **\$5k to Work** – An 'incentive payment' to assist clients on a main benefit who have secured sustainable, full-time employment to relocate
- **Employment-focused case managers** – Provide employment and training advice on entry-level requirements to specific industries
- **Employment Placement or Assistance Initiative** – Employment placement and support services for selected participants
- **Flexi-wage** – A range of subsidies available for businesses to employ jobseekers who are disadvantaged in the job market
- **Skills for Industry** – Short-term, job-focused training for people on income support who require upskilling for specific requirements identified by industry
- **Training for Work** – Training to help people at risk of long-term benefit receipt to acquire industry-focused skills that are needed to enter employment
- **Limited Service Volunteer** – A voluntary six-week residential training course in partnership with the New Zealand Defence Force that provides life skills to, and builds work confidence for, unemployed young people aged between 18 and 25 years
- **Youth Service** – A service that helps young people find the best option for education, training or work-based learning
- **Course participation assistance** – A payment to assist with costs for a client participating in a short-term (not more than 12-weeks' duration) employment-related training course
- **Training Incentive Allowance** – A payment to assist with costs for a client participating in a longer employment-related education or training course at Level 3 or lower on the New Zealand Qualifications Framework
- **Mana in Mahi – Strength in Work** – An initiative to support people into full-time work by supporting them to achieve a formal industry qualification or apprenticeship
- **Student Placement Services** – Funding to support tertiary students into employment

## Emergency management

MSD has a key role in responding to emergencies and assisting in recovery work alongside other agencies, including the National Emergency Management Agency (NEMA) and the National Crisis Management Centre (NCMC) in times of need. We have well-developed and practised business continuity and emergency management arrangements for all types of regional and national civil defence emergencies. During these times we are the responsible agency for the provision of financial assistance at a national and regional level and assist with needs assessment, temporary accommodation and psychosocial support.

We provide assistance to our existing clients affected by emergencies. These forms of assistance may include Special Needs Grants (including Civil Defence Payments, which are paid to people or families who have been affected by an emergency event and need Rural Assistance Payments, which are financial assistance for farming families following an adverse event or natural disaster), Recoverable Assistance Payments, and Advance Payment of Benefits.

More recently there have been several emergencies that we have responded and provided support to, including:

- the Christchurch mosque terror attacks
- the Whakaari/White Island eruption
- drought in some areas of the North and South Island
- floods in Southland and the West Coast
- COVID-19
- fires in Nelson, Canterbury and Marlborough.

## Portfolios within MSD

Within MSD, sits the Office for Disability Issues, the Office for Seniors and the Ministry of Youth Development, which provide support and advice for these key population groups. While these groups come under the responsibility of different Ministers they are still accountable to the relevant Deputy Chief Executive within MSD. Page 41 has additional information on these functions.

## Additional functions

The Social Development portfolio includes shared services and hosted functions.

### Shared services

MSD provides a range of corporate services to:

- Oranga Tamariki—Ministry for Children
- the Social Wellbeing Agency
- the Ministry for Housing and Urban Development
- the Office of the Children’s Commissioner.

## Hosted functions

MSD hosts the following functions, which report to you.

### Historic Claims

The Historic Claims team provides an alternative disputes resolution process for people who were abused or neglected in the care, custody or guardianship of, or who had come to the notice of, Child, Youth and Family or its predecessors before 1 April 2017. Claims arising after this date are the responsibility of Oranga Tamariki.

### Social Services Accreditation (SSA)

The SSA service provides the government and communities with independent assurance that social service providers can deliver safe, quality services to New Zealanders.

### Independent Children's Monitor (ICM)

The Independent Children's Monitor provides independent oversight across the Oranga Tamariki system and organisations that have custody and care of children and youth. The Independent Children's Monitor is currently hosted by MSD while it is establishing its functions. They report to the Minister for Children on their monitoring findings, and to you on the establishment of the functions.

## Our guiding strategies

To provide the best possible support and services to our clients, we developed our strategic direction, Te Pae Tawhiti – Our Future, which describes how we can make a bigger and better difference for New Zealanders.

### Te Pae Tawhiti — Our Future

Te Pae Tawhiti was launched in 2018 and sets out the outcomes and impacts we want to achieve as an organisation and how we are going to get there. It shows our intention to do better for our clients and identifies three shifts we are undertaking as an organisation to achieve our outcomes.

#### Our outcomes

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

#### Our three shifts

To achieve these outcomes, we are implementing three shifts:

- Mana manaaki – A positive experience every time
- Kotahitanga – Partnering for greater impact
- Kia takatū tātou – Supporting long-term social and economic development.

Te Pae Tawhiti is supported by our Māori strategy, Te Pae Tata, and our Pacific strategy, Pacific Prosperity. Te Pae Tata and Pacific Prosperity embrace the shifts described in Te Pae Tawhiti and articulate how they will be realised for Māori and Pacific communities.

## **Te Pae Tata – Māori Strategy and Action Plan**

Embedding a Te Ao Māori view throughout our organisation will help us think differently about the way we work with Māori.

Te Pae Tata – Māori Strategy and Action Plan, articulates how we will work with Māori to achieve better outcomes. It draws on the wisdom and experiences of whānau, hapū and iwi who have engaged with us, our internal Māori reference and leadership groups, our external Māori Reference Group (MRG) and staff who either work alongside Māori each day or whose work impacts Māori.

MRG was established to provide a strategic reference point and advice on the design and implementation of social strategies and policies that impact Māori. MRG has nine members and is made up of respected and influential Māori, and includes current and former iwi leaders Māori providers, and respected practitioners. Members also bring specialist skills, knowledge and expertise in areas such as Kaupapa Māori/Te Reo Māori, family violence, policy, legal, and social service infrastructure.

MRG advises the MSD Leadership Team on matters relating to positively transforming outcomes for Māori and the implementation of our policies, services and initiatives that impact Māori.

## **Pacific Prosperity – Pacific Strategy and Action Plan**

Pacific Prosperity places Pacific peoples, families and communities at the heart of our programme development, thinking and decision-making. Pacific communities have strong aspirations to actively design and lead their own innovative solutions.

Pacific Prosperity – Pacific Strategy and Action Plan aligns with Te Pae Tawhiti and complements Te Pae Tata.

Copies of all three strategies will be provided alongside this briefing.

## **We partner with other agencies to deliver services**

The Ministry is involved in several cross-sector work programmes to deliver services to expand our reach and impact, and achieve broader outcomes across employment, housing, disability, family and sexual violence prevention, income support, and community services.

As part of our partnering, we work with other agencies on our core areas of focus; for example, we work with agencies such as the Treasury, the Ministry of Business, Innovation and Employment (MBIE), and Inland Revenue to co-ordinate analysis and ensure that the right data is made available. This helps build a clearer picture of New Zealand's social and economic progress.

## Employment

As the main delivery agency for employment services in New Zealand, we support around 80,000 people into work each year. Our focus is on supporting existing clients and those at risk of unemployment. This is achieved through a variety of ways such as upskilling clients, through industry-based recruitment partnerships, pre-employment training and other work readiness programmes, and responding to local labour market conditions by working with local employers and industry partners. As at February 2020, MSD has a 'Improved Employment and Social Outcomes' appropriation of \$572 million for 2020/21. This includes the additional \$154 million in COVID Response and Recovery Funding for 2020/21, which has been allocated to create new employment products, and cover anticipated increased demand for existing employment products and services.

We also have a joint role with MBIE in providing advice on the labour market, including contributing to the labour market test for immigration decisions via our Skills Match Report. This report provides Immigration New Zealand with the key information they require to make decisions about applications for a low-skilled or unskilled work visa.

We work with the Ministry of Education to join up our training and skills offerings, through apprenticeships and traineeships, to ensure that people gain the skills they need to get a job and have improved longer-term employment outcomes. Current changes to the labour market and sectors mean training and re-skilling will play a key role in the future. We continue to look at innovative ways employment and training support can help people stay in work and remain attached to the labour market.

We partner across government to directly support people into jobs or training. For example, MSD administers the Ministry of Education's Apprenticeship Boost programme, leveraging our payment capabilities to help employers keep and take on new apprentices.

We are also part of a cross-agency group that focuses on the delivery of employment-, education- and training-related work across agencies to support the country's economic response and recovery from COVID-19. This will also include targeted work on understanding and responding to specific and significant issues relating to Māori employment, for example building a training and skills pipeline into higher-wage and higher-skilled jobs.

## Income support

As the lead delivery agency for income support, we provide different types of financial assistance, including main benefits and hardship assistance to help people.

We partner with Inland Revenue to deliver Working for Families tax credits and student loans and allowances to people on benefits. We have also worked with them to provide the Wage Subsidy and Income Relief payments

## Housing

We have a client-facing housing role and work with people, families and whānau on their eligibility and referral to emergency, transitional and public housing. We also work with the Ministry of Housing and Urban Development (HUD) and Kāinga Ora – Homes and Communities to support New Zealanders who have significant or urgent housing needs to access public housing.

Our role is to work with individuals who need housing and financial support and to manage the Public Housing Register, while HUD has responsibility for managing the supply of public housing.

MSD is also responsible for the provision of hardship assistance that supports eligible people with housing costs, including tenancy bonds, rent in advance, rent arrears and essential repairs and maintenance. We work closely with HUD to ensure that there is a range of appropriate housing options for lower-income households.

While MSD and HUD are the main agencies for advice on housing-related issues, services and supports are provided by multiple agencies to help our vulnerable clients (including the Department of Corrections, Ministry of Justice, Oranga Tamariki, Ministry of Health, Te Puni Kōkiri, Ministry for Pacific Peoples, and Ministry of Education). The Aotearoa/New Zealand Homelessness Action Plan (2020-2023), released by the Government in 2020, is a joint-agency collaboration which aims to improve the wellbeing and housing outcomes of individuals and whānau who are at risk of, or experiencing, homelessness.

Funding under the Homelessness Action Plan has allowed MSD to work more closely with emergency housing clients through the provision of intensive case management, and navigators and housing brokers have recently been introduced to work with the private market to secure housing for our clients. We are also partnering with NGOs, on the Ready to Rent programme, which prepares clients in emergency housing for the rental market.

## Family violence and sexual violence

In 2018 Cabinet established the Joint Venture on Family Violence and Sexual Violence (the Joint Venture), of which MSD is a member. The Joint Venture provides strategic policy and funding advice to the Government on behalf of all agencies involved in the response to family and sexual violence.

Our role in this venture is:

- funding three national family violence prevention initiatives (E Tū Whānau, Pasefika Proud, and the Campaign for Action on Family Violence), to mobilise communities, challenge social norms that perpetuate violence, and change damaging behaviours within families and whānau
- working with service providers to support the regional design and implementation of Whānau Resilience services
- delivering around \$90 million in funding from July 2020 to providers of family and sexual violence services to build a more integrated, efficient and responsive system for people (both victims and perpetrators) who are affected by it
- maintaining the Safe to Talk – Kōrero Mai 24/7 sexual harm helpline
- commissioning and conducting research and evaluation to understand the impact of our investment in these services, and to ensure they are responsive to the needs of people affected.

More information on the cross-agency work on the Joint Venture will be provided in the cross-agency briefing, from the Ministry of Justice.

## Responding to COVID-19 and supporting the ongoing response and recovery

MSD played and continues to have a core role in the Government's response to COVID-19, providing essential services in response to unprecedented levels of demand for income, housing, employment assistance and community funding, while continuing to provide our everyday services and support.

### Our initial response to COVID-19

During the initial COVID-19 response phase MSD in response to Ministerial decisions implemented a significant programme of work at pace and changed the way we work. We broadened how we deliver our services, while at the same time responding to a significant increase in demand for our core income support, hardship and emergency housing services and COVID-19-related policy advice. We did this while continuing to provide our usual services.

From March 2020 we set up processes and programmes to implement the COVID-19 response package on behalf of the Government.

During the original lockdown, we implemented a range of initiatives including:

- the COVID-19 Wage Subsidy, which was time-limited support to employers or self-employed people whose income was affected by the pandemic<sup>9</sup>
- the COVID-19 leave support scheme, which was a lump sum payment to cover a four-week period for people who were required to self-isolate and unable to work from home and gain any income
- a \$25 increase to main benefits
- the temporary doubling of the Winter Energy Payment.

When our offices were shut to the public, we supported New Zealanders, via online channels and over the phone, making it easier for people to get the support they needed quickly.

MSD's online services were enhanced, so people could apply and manage their own information online and staff were redirected from back-office and support functions to taking and assessing applications for assistance. The frontline focus also shifted during this time to meeting immediate income, hardship and housing needs.

### Supporting clients

On behalf of the Government, we temporarily altered some of our benefit settings to further support clients to access services more easily and receive payments faster, including:

- removing the need to provide subsequent medical certificates for clients already getting Jobseeker Support or Sole Parent Support
- removing stand-downs for main benefits
- making changes to our processing standards.

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<sup>9</sup> This was later expanded to include the Wage Subsidy (extension) and the Wage Subsidy (resurgence).

During this time, tenancy reviews for people in public housing were also paused, allowing a measure of stability for public housing tenants while also freeing up MSD staff to focus on meeting the needs of new clients. Tenancy reviews are scheduled to recommence from February 2021. We will provide you with further advice on this.

### **Partnering with Māori and Pacific communities**

We know that Māori and Pacific communities face hardship at higher levels than the general population and were further adversely affected by COVID-19.

During the pandemic, many iwi, Māori communities, and Māori organisations were active in their communities as part of the response. They are much better connected to their people, especially in remote and rural areas, and by partnering with them we are able to ensure that these communities are provided with the support that is right for them. It also places us in a strong position to continue to work with iwi and Māori across multiple communities.

Similarly, Pacific communities, churches and providers played an active role as part of the national response. They too, are deeply connected to their people, especially in urban areas. Through our work to actively partner with Pacific providers and communities we can ensure that the right supports are available to those who need them. This also enables us to continue to work with Pacific communities and providers to address issues in increasingly collaborative ways.

The critical challenge is to maintain a capable and diverse set of providers to support those likely to be disproportionately affected by events. MSD continues to review and redesign services including building the capacity of Māori and Pacific providers and entering into further agreements with iwi on how we will partner.

### **Supporting the ongoing response and recovery**

MSD has continued to respond to the impacts of the original lockdown and the recent resurgence of COVID-19. Due to the nature of the services we provide, the Ministry will have an ongoing role to respond and support New Zealanders, as the country moves between Alert Levels.

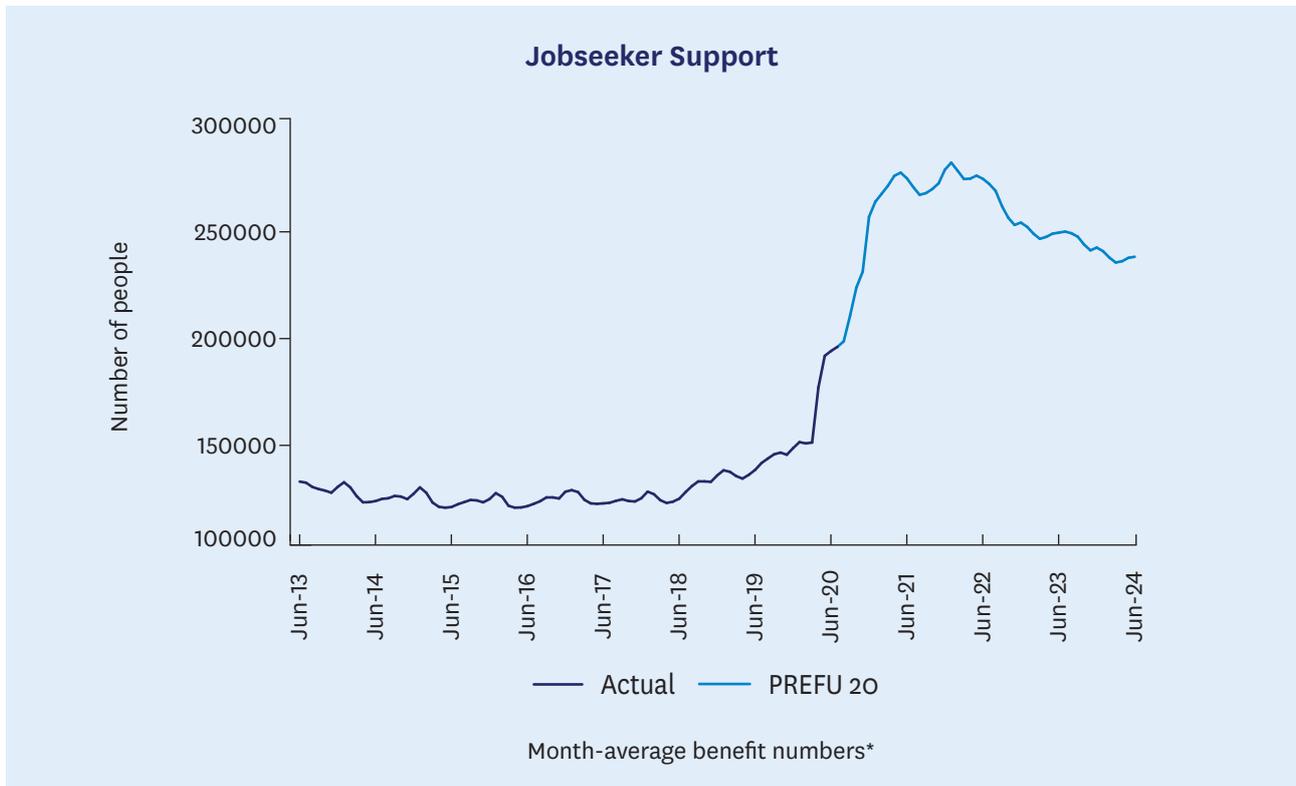
### **The economic impact of the pandemic – what we know so far**

While the full extent of the pandemic on the economy has yet to be felt, we know that we need to be prepared for increasing demand for our services. We anticipate our current clients will continue to face pressure due to COVID-19. There are also new groups of New Zealanders who have had little or no previous interaction with MSD services who may be experiencing significant economic hardship for the first time, or are likely to as unemployment rises, and will be seeking our assistance.

We are seeing that people aged 18 to 34 years have been severely impacted by the economic shock due to their position in the labour market, where they generally have lower skill levels and more casual jobs. There has also been an increase in the number of jobseekers aged 50 or over.

Differing impacts have also been seen across sectors and regions, which are likely to experience a prolonged economic downturn differently. Some industries and locations will grow and recruit, while others will remain in decline for longer and require substantial adjustment. For example, jobs related to tourism, such as hospitality, accommodation, retail, and private sector administrative and support services, are likely to be impacted for some time.

The COVID-19 support measures have helped to soften the initial impact on unemployment. However, it is expected that unemployment will continue to rise over the coming quarters as border restrictions weigh on activity and fiscal support is eased. The Treasury is expecting the unemployment rate to peak at 7.8 percent in the March 2022 quarter, before easing to 5.3 percent by June 2024<sup>10</sup>. Current forecasts show that the number of people receiving Jobseeker Support is expected to reach 279,100 by January 2022.



As of the week ending 2 October 2020, including the Wage Subsidy (original), the Wage Subsidy (extension), the Wage Subsidy (resurgence) and the Leave Support Scheme, we have provided support to approximately 769,000 businesses and 1.8 million jobs, and paid out \$14.0 billion.

The Wage Subsidy scheme was established quickly to ensure that payments were made to applicants as soon as possible. We have an auditing process under way to review applications and verify eligibility.

### Ongoing support for New Zealanders

MSD is continuing to expand its employment supports to address the current unemployment challenge by expanding existing employment programmes, such as the Employment Placement Service. New employment programmes to help the significantly higher numbers of jobseekers have been established – including Rapid Response employment teams in each of our regions, an online recruitment tool to assist employers looking for staff and workers looking for job opportunities, and a phone-based employment service for up to six weeks that supports people with work readiness, assessing transferable skills and job interview preparation (Rapid Return to Work Service). We are also expanding access to our employment services to people not on a main benefit, enabling us to intervene early before job loss occurs.

<sup>10</sup> From the Treasury 'Pre-election Economic and Fiscal Update – 2020'.

Demand for income support has risen significantly, with the overall number of people on Jobseeker Support and the COVID-19 Income Relief Payment continuing to grow after the original lockdown. As financial pressures build up from the economic downturn, demand for support and services to manage debt is expected to grow substantially as financial stress increases and ‘backed up’ household debt like mortgage repayments and utility bills from payment holidays and deferrals needs to be repaid. Additional investment in Building Financial Capability programmes has been provided through Budget 2020 initiatives and the COVID-19 Response and Recovery Fund, which will help address some of the increased demand.

To support the community response and recovery efforts, MSD received funding to help community services and programmes respond to the increase in demand for services arising from COVID-19 and enable community-led solutions to be undertaken swiftly. Further funding was approved to provide continued support to communities impacted by COVID-19, including supporting Food Secure Communities, Community Connection Services, and Provider and Community Capability and Resilience.

Ongoing support for other services for which we expected to see increased demand include Family Violence services, as there is a risk that levels of violence may increase as financial pressures build up from the economic downturn.

The pandemic has further increased housing stress on lower- to middle-income households, continuing to push vulnerable people out of the housing market. This can be seen in the increase in the number of people on the Public Housing Register and a sharp increase in the number of households accessing Emergency Housing Special Needs Grants.

From 6 July 2020 the Rent Arrears Assistance Housing Support Product was temporarily expanded to support clients who have been financially impacted by COVID-19 to remain safely housed during a time of severe economic hardship. This expansion is in place till 31 December 2020, subject to a Ministerial report back.

## **COVID-19 resurgence efforts**

As part of the country’s resurgence efforts, MSD is able to respond and move with changes in Alert Levels. A key focus of COVID-19 resurgence planning is enhancing local operational co-ordination. The local Civil Defence Emergency Management (CDEM) Group, and appointed local CDEM Group Controller, is ultimately responsible for on-the-ground co-ordination of response activities.

MSD regional staff work closely with each local CDEM group to ensure co-ordinated welfare supports and to manage financial assistance requests.

Activity by CDEM and Regional Leaders Groups is supported by a Chief Executive (CE) group of social sector government agencies that enables quick resolution and national-level co-ordination when necessary. MSD’s Chief Executive is chair of this CE group.

The CE group is supported by the Caring for Our Community programme, which was established to better understand the impact of COVID-19 on New Zealand’s most vulnerable communities and to ensure that services were provided to them, even during full lockdown. The ongoing role of the programme is to act as a connection point and ‘clearing house’ to support agencies, regions and communities to respond to issues in the community by working across the Public Service. The programme is able to scale up and down in the event of future re-emergence of COVID-19 in any region.

## MSD's current area of focus

The pace of demographic, cultural, social and economic change is going to influence medium- to long-term social issues and, consequently, the work undertaken by MSD.

Having more integrated services that address employment, income support and housing pressures ensures the greatest impact on New Zealanders. We look forward to working with you on your priorities.

### Employment services will need to adapt

#### The nature of work is changing, with advances in technology and the need for greater flexibility

Our pre-COVID-19 engagement with employers and business leaders highlighted long-term issues around the future of work. This will further be impacted by advances in technology, automation and globalisation (although the impact of globalisation is currently muted in the context to COVID-19). As a result of these advances, jobs are expected to become more flexible and transitions between roles more common. These challenges have been accelerated by the pandemic, which has highlighted the need to look at these more urgently.

There are two key challenges.

1. With several industries shrinking or potentially disappearing completely, job losses are expected. Those most negatively affected by these changes are likely to be workers already disadvantaged in the labour market. Rethinking labour market programmes, improving options to reskill, and creating opportunities for lifelong learning will minimise these impacts.
2. The increasing flexibility of work will result in more individuals being likely to cycle between periods of employment and unemployment, with challenges for how we operate as an employment service to keep people attached to the labour market.

Despite these challenges, this also creates several opportunities for MSD and the labour market as a whole including rising wages through higher-paid, higher-skilled jobs and harnessing the benefits of technology to support those with disabilities and health conditions into the workplace.

To support increased demand on our services and adapt to the needs of the new client base, we have been focusing on three key employment areas:

- expanding employment services to take new approaches to how we deliver services
- expanding our prevention services
- being forward looking and responsive – being ready for future labour markets.

## **Changing demographics and the function of the labour market**

For several years, New Zealand's economy has been reliant on migrant labour to fill both low- and high-skill positions. COVID-19 and the closure of the country's borders have had significant repercussions for the country's labour market.

In particular:

- increasing unemployment – an increase in unemployment is already having a significant impact on jobseeker numbers, resulting in an oversupply of New Zealanders in some industries
- limited access – some sectors will have trouble hiring and recruiting the labour and skills they need while border restrictions due to COVID-19 are in place, and the training and redeployment of New Zealanders moves through its early stages.

While it may appear that the limited migrant labour can be replaced by the rising numbers of unemployed New Zealanders, the reality is that for a number of sectors challenges exist around the skills and locations of New Zealanders and the vacant jobs.

Despite these challenges, the situation created by COVID-19 presents an opportunity to rethink the role of migrant labour in New Zealand's workforce in order to maximise employment opportunities for our clients. We are working closely with Immigration New Zealand in this area.

We will continue to work closely with MBIE on understanding the labour market and with the Ministry of Education on education and training programmes, including on-the-job training, to give jobseekers the skills they need in the new labour market.

## **An ageing population will have both positive and negative impacts on employment that we need to be prepared for**

New Zealand's population is ageing, life expectancy is increasing, and more people are working for longer. Older people contribute significantly to the New Zealand economy through paid and unpaid work and voluntary contributions. With falling rates of home ownership, a growing number of older people are renting and many need to keep working to meet their housing costs. As this population group increases, it is important to recognise that they are contributing to productivity and economic growth.

We need to have a mixture of approaches that allow older people to contribute in a way that suits them.

## **Ensuring disabled people and people with health conditions have access to equal employment opportunities**

One in four New Zealanders live with a physical, sensory, learning, mental health or other impairment. It is essential to address the accessibility issues these individuals face and continue moving towards a more inclusive society.

Disabled people and people with health conditions have the right to work on an equal basis with others, and most can and want to work. However, these individuals often face additional barriers to employment, including discrimination and lower pay. A competitive job market caused by COVID-19 will compound difficulties disabled people and people with health conditions face in finding employment.

Ensuring these individuals and their whānau have sufficient income and access to employment opportunities is vital to achieving positive outcomes. For some people this support may be straightforward, but others may need integrated employment and health services.

Our income, employment and partnership programmes need to continue to take the specific needs of disabled people and people with health conditions into account. This requires a cross-government effort.

## **Even with recent improvements to incomes, hardship issues remain for some low-income individuals and families**

Historically, relative poverty rates for under-65-year-olds in workless households have increased. This reflects the fact that median household income has grown strongly in real terms for the last 25 years, whereas incomes for beneficiary households have been flat or declining in real terms in that period.

The ‘working poor’<sup>11</sup> also make up a sizeable group of those in financial hardship. Though their low-income and hardship rates are lower than for beneficiaries, there are many more of them. Around half of all those aged under 65 in low-income households are from households with at least one full-time worker or with self-employment as the main source of income; the other half are from workless households or households with only a part-time worker or workers. The same proportions are found when using material hardship measures.

While the recent changes made to the welfare system – such as the implementation of the Families Package, the \$25 per week increase to main benefits and the indexing of these benefits to the average wage – will help to improve the living standards of low-income New Zealanders, income adequacy issues remain for many.

Analysis undertaken by the Welfare Expert Advisory Group (WEAG) in its wide-ranging report to the Government, estimated that many individuals and families receiving a main benefit are unlikely to have enough income to meet essential costs, especially when housing costs are factored in. While a number of the recommendations in the WEAG report have been implemented, not all have.

Historically, high housing costs have put increasing pressure on family budgets, with around half of beneficiary households spending more than half of their income on housing costs.

Furthermore, COVID-19 will certainly increase poverty and hardship rates, although it is too soon to estimate the size of these impacts. The sudden loss of all employment income, or reduced employment income, can tip many into financial hardship, especially if they have limited cash or near-cash assets to maintain existing commitments (for example, rent, mortgage or consumer debt).

The Child Poverty Reduction Act 2018 requires the Government to report annually on child poverty rates across a range of measures, and to set three-year and 10-year targets for child poverty reduction. The current 10-year targets are to halve the 2017 rates. The size of the impact on child poverty rates of the COVID-19 pandemic is not yet clear, but the pathway to achieving these targets is certainly now more challenging. The income support and employment services and related policy advice provided by MSD are helping to achieve the targets.

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<sup>11</sup> The common international definition of the ‘working poor’ is defined as those who live in households with at least one full-time worker, where the household has income below 60 percent of the median household income.

Further changes to the income support system could improve the adequacy of incomes for low-income New Zealanders. In broad terms, the current three-tier system of main benefits, supplementary assistance and hardship assistance continues to largely be fit for purpose. However, there is an opportunity to rebalance the levels of support by reducing the reliance on hardship assistance through increases to main benefits and/or supplementary assistance.

Our current work programme includes ongoing changes to the welfare system, focusing on:

- resetting the foundations of the welfare system
- increasing income support and addressing debt
- improving and expanding employment services
- improving supports and services for disabled people, people with health conditions and disabilities, and their carers
- building partnerships
- enhancing the community sector.

Some of the more complex areas will require more time to consider, including simplifying the income support system, aligning the welfare system with other support systems, and reviewing housing and childcare supports.

### **A growing number of people who have poor mental health receive a benefit and this number is likely to increase**

The proportion of clients with mental health conditions has been growing substantially over time and is likely to increase.

The fear and insecurity generated by COVID-19 and the impact on the economy is likely to increase mental distress among those in work, especially among those vulnerable to job loss or with existing mental health problems. Assistance for people with mental health conditions to remain in work would be beneficial, as some people in this group will not retain their employment.

Providing early access to employment support and services is important and supports better mental wellbeing. For some people employment support may be straightforward while others may need integrated employment and health services. The availability of such integrated health and employment support is limited. MSD has commenced trials that specifically target people on benefit with mental health conditions to obtain employment.

### **Many households are facing increasing housing stress**

Even before COVID-19, there was a lack of suitable and affordable housing across New Zealand, making it difficult for many low-income New Zealanders to access stable housing. The recent impacts of the pandemic have been exacerbating this housing stress and there has been an increase in the take-up of housing-related supports.

Rising house prices have seen home ownership levels fall to historical lows, resulting in more people being in the rental market. The numbers on the Public Housing Register are currently high, as at June 2020, there were 21,879 people<sup>12</sup> on the Public Housing Register, with many of those on the waiting list unlikely to receive a public house. The Accommodation Supplement (AS) is a key lever for MSD to support those at the lower end of the housing market to retain stable accommodation and to provide appropriate incentives for those in public housing who could sustain housing in the private rental market. Despite an increase in 2018, the AS has not kept pace with rents and is not alleviating housing stress for many. As a result, increasing housing costs are impacting the wider welfare system, particularly through an increase in demand for special needs grants, temporary additional support and other hardship payments.

Clients with similar needs can receive varying forms of support and services based on the type of housing they live in rather than their individual circumstances. Further work to better understand the complexities of the support services that are provided across the entire continuum will offer opportunities to look at ways the system can be simplified to provide client-centred support that is appropriate to individual need rather than the form of accommodation that they are in.

## Tailoring our support for the regions

MSD has a presence across all of New Zealand and we have a strong community partner sector that is able to mobilise, adapt and respond to our people, whānau and community needs. Our extensive regional and local footprint gives us a network of relationships and local knowledge that is vital in responding appropriately to the very diverse needs of communities and regions.

By improving individual and whānau wellbeing within our communities, we can help to support strong, resilient regions. This in turn supports wellbeing and prosperity for the country. At present there are inequities and disadvantages for people based on who they are and where they live. Income, employment, housing, physical and mental health, education, safety and social connections all contribute to wellbeing; however, the measures of success look different across our regions.

Within regions, communities, groups and organisations are supporting and empowering the wellbeing of their people, because they know what they need to be safe, healthy and resilient. We need to continue to look outside our traditional silos of influence and have effective and meaningful partnerships across government, with community groups and organisations and the private sector to collectively address wider issues impacting on wellbeing in regions, including social, economic, environmental and cultural issues.

We know that Māori remain disproportionately impacted by poorer wellbeing outcomes. If we are to help Māori improve their wellbeing, we need to partner further with iwi and Māori organisations to jointly develop solutions to best support people.

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<sup>12</sup> The total number on the Public Housing Register includes the 18,520 people who are on the housing register and the 3,359 people who are on the transfer register.

## Providing timely data to support real-time decision-making

We see significant value in the effective use of data to generate insights that inform policy and operational decision-making at MSD and at a cross-agency level. During 2020, benefit data has provided some of the timeliest indicators of the labour market and financial need, at both national and regional levels. This experience has highlighted the strengths and weaknesses in our data and evidence base; we will continue to strengthen this base over time.

We are developing more rapid evidence and reporting that support real-time decision-making and build a narrative for the performance of the system and the impact we have. The pandemic also reinforced the need to have a strategic, longer-term view and how data can influence where we focus and how we respond, and a greater understanding of who benefits from MSD's support. We have also been seeking to develop and provide data and insights that are useful for iwi and others at the regional and local level.

Advanced analytic techniques have the potential to provide helpful tools that support policy and operational decisions but need to be developed with care. MSD is a signatory to Statistics NZ's Algorithm Charter<sup>13</sup>, which was launched in July 2020 and is part of the Government Chief Data Steward's work on trust and confidence. Agencies that have signed the Algorithm Charter make a public commitment to the transparent and accountable use of algorithms to improve the lives of New Zealanders. In recent years, we have invested in tools to support the robust development of algorithms, including frameworks for Privacy, Human Rights and Ethics, and a Model Development Lifecycle. The recent refresh of the Youth Service NEET model, which helps prioritise who is likely to benefit most from the service, was underpinned by these frameworks. We will continue to explore opportunities to use such tools, developed in a responsible way.

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13 The Algorithm Charter was developed in response to recommendations from the Algorithm Assessment Report (2018), which reviewed how government agencies use algorithms to improve the lives of New Zealanders.

## MSD's organisational capacity to deliver our key areas of work

Having the right people, capability and culture, with appropriate oversight and assurance of our actions, and with the right technology and resources in place, is essential to successfully delivering outcomes for New Zealanders.

We have made a number of improvements to enhance our ongoing organisational capacity, as outlined earlier. MSD also has a number of opportunities to make further improvements to enhance our reach and increase our impact for New Zealanders. However, alongside these opportunities there is an increasing demand for our services, and we continue to work with clients whose circumstances are varied and complex.

To help support this, our policies, processes and technology need to be fit for purpose to meet the change in demand.

Further investment in key infrastructure can help over the longer term to deliver better outcomes for the Government and for New Zealanders. For example, most of our core applications are now at least 15 years old, with the core payments engine (SWIFTT) nearly 30 years old.

Section 9(2)(g)(i) of the Official Information Act

Some of our software assets are no longer fully supported by the supplier and will need to be enhanced or replaced. Investment in modern and innovative IT systems could help us:

- deliver faster, more efficient service to clients to ensure they get their full and correct entitlements first time
- deliver government policy and legislative changes more quickly, to speed up the positive impact of changes for New Zealanders
- support MSD to shift resources away from process-driven activity to value-adding client-facing activity
- supporting clients to have more personalised services – being able to do most of their business online or over the phone, only visiting one of our sites when the issue is complex
- have the ability to deliver meaningful change to how staff, clients and partners are supported by our technology.

MSD received funding in 2019 to reduce the risk of critical systems (such as client-facing systems) failing, and in 2020 initial funding was received to replace our financial management and payroll systems and to continue modernising our income support system.

Section 9(2)(g)(i) of the Official Information Act

We need to redesign our business models, processes and the delivery approaches that underpin our services.

To prepare for the increase in demand for our services, we are implementing an integrated service approach that aims to co-ordinate MSD services such as employment, income and housing across our digital, phone and face-to-face channels. This will enable our clients to access, manage and navigate our services seamlessly and consistently. We will continue to look at ways we can streamline and improve our services, by reviewing the business rules and policy settings around them.

## Early decisions to be made

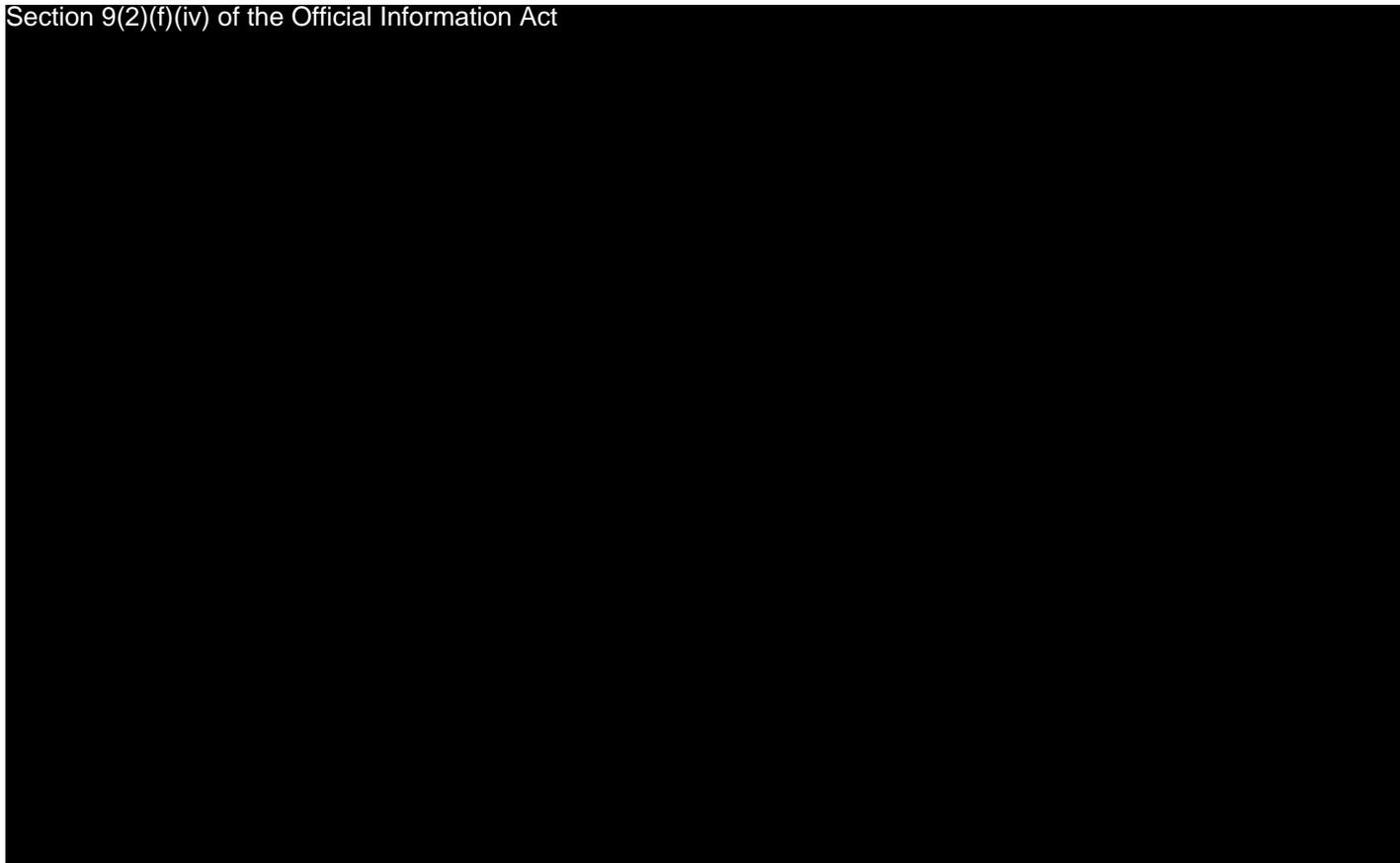
The following decisions will need to be made in the coming weeks/months. More detailed information will be provided to you in separate briefings.

Decision to be made	Timing
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Section 9(2)(f)(iv) of the Official Information Act



Section 9(2)(f)(iv) of the Official Information Act



## Other areas of focus and responsibility of MSD

Within MSD sit additional services and hosted functions, which you are also responsible for. We also have a role in engaging with two Royal Commissions and Kaupapa Inquiries.

### Shared services

MSD provides a range of corporate services, mainly to Oranga Tamariki following its separation from MSD in 2017, but also to the Social Wellbeing Agency (SWA), the Ministry of Housing and Urban Development (HUD) and the Office of the Children's Commissioner. Services provided vary by agency and can include services such as information technology, finance, human resources, property and facilities, and information privacy and security.

There will be no impact on MSD if the arrangements with SWA and HUD change. However, under our shared services arrangements with Oranga Tamariki, it has been agreed that Oranga Tamariki will establish its own accounting support services team. Both agencies are working to ensure minimal disruption and this will include the transfer of a number of staff from MSD to Oranga Tamariki.

### Hosted functions

#### Independent Children's Monitor

On 1 July 2019 the Independent Children's Monitor (ICM) role came into effect and MSD was charged with the establishment of this monitoring function. Our role is to design the framework for monitoring compliance with the Oranga Tamariki (National Care Standards and Related Matters) Regulations 2018. Monitoring of regulations commenced immediately, and the ICM has published two reports as part of its monitoring and assurance programme.

MSD is also leading the development of legislation to strengthen the oversight of the Oranga Tamariki system, components of which will include advocacy, oversight and investigation, and independent monitoring.

Budget 2020 provided funding of \$31.5 million over three years, allowing for 38 roles from July 2021.

## Historic Claims

MSD's Historic Claims team provides an alternative disputes resolution process for people who were abused or neglected in the care, custody or guardianship of, or who had come to the notice of, Child, Youth and Family or its predecessors before 1 April 2017. This team works with claimants to understand their experience in care and acknowledge and recognise the harm done.

MSD's Historic Claims team is supporting the work of the Royal Commission of Inquiry into Historical Abuse in State Care and in the Care of Faith-based Institutions.

As part of the Royal Commission's inquiry, it will consider the experiences of people who were in State care, as well as examine the redress and rehabilitation processes for individuals who have claimed that they were abused in care, including improvements to these processes.

## Social Services Accreditation

MSD hosts the Social Services Accreditation (SSA) service, which provides the government and communities with independent assurance that social service providers can deliver safe, quality services to New Zealanders. This provides a level of assurance to contracting agencies and service users about the robustness of the organisation.

SSA has over 70 staff based around the country. Currently, SSA provides accreditation on behalf of six government agencies (Ministry of Justice, Department of Corrections, Oranga Tamariki, Ministry of Housing and Urban Development, Ministry of Social Development and the Ministry for Pacific Peoples).

## Royal Commissions and Kaupapa Inquiries

There are two Royal Commissions and multiple inquiries that MSD is involved with.

### Royal Commission Historical Abuse in State Care and in the Care of Faith-based Institutions

This Inquiry is looking into what happened to children, young people and vulnerable adults in care between 1950 and 1999. MSD is involved because of our role in resolving claims of historical abuse and because of the role of our predecessor organisations in the care of children – Child Welfare Division, the Department of Social Welfare, and Child, Youth and Family.

### Royal Commission of Inquiry into the Attack on Christchurch Mosques on 15 March 2019

This Inquiry into the Attack on Christchurch Mosques on 15 March 2019 is investigating events leading up to the attack and the performance of State sector agencies in relation to those events.

## Waitangi Tribunal Kaupapa Inquiries

The Kaupapa Inquiries deal with nationally significant issues affecting Māori as a whole. MSD is contributing to two active inquiries, which are the:

- Mana Wāhine Inquiry
- Housing Policy and Services Inquiry.

## Crown entities

We assist you to carry out your role as responsible Minister by providing monitoring and advice for the following three Crown entities:

### New Zealand Artificial Limb Service

The New Zealand Artificial Limb Service (NZALS) is an autonomous Crown entity, which means its Board is appointed by the responsible Minister and in carrying out its role it has to have regard for government policy.

NZALS provides individualised services to rehabilitate amputees. NZALS is a specialist health care provider that manufactures high-technology medical devices, mainly artificial limbs, for individual patients with integrated rehabilitation and co-ordination of care services.

NZALS is governed by a Board whose members are appointed by the Minister for Social Development in line with the New Zealand Artificial Limb Service Act 2018.

NZALS receives no direct Crown funding. Its revenue (\$18.7 million in 2018/19) is derived principally from contracts with ACC and Capital & Coast and Waikato District Health Boards.

### Social Workers Registration Board

The Social Workers Registration Board (SWRB) is a Crown agent, which means its Board is appointed by the responsible Minister and has to give effect to government policy (although it operates independently when making decisions regarding the register and discipline of individual social workers).

The SWRB manages the registration of social workers, including overseeing the social work qualifications framework. It protects public safety by ensuring that registered social workers are competent, fit to practise, and accountable for the way in which they practise.

The social work profession is moving from a voluntary to a mandatory registration basis. The SWRB is currently managing the transition from voluntary to mandatory registration, which commences on 27 February 2021. MSD will have a statutory responsibility for compliance with mandatory registration, including the power to investigate people allegedly offending under the Social Workers Registration Act 2003, which MSD administers.

Prior to 2018/19 the SWRB derived its revenue solely from registration, annual practising certificate fees and a disciplinary levy paid by registered social workers. However, in the last two years Crown funding (\$1.3 million in 2018/19 and \$778,000 in 2019/20) has been approved to support the transition.

In August 2020 Cabinet designated the SWRB as the lead agency for workforce planning for all social workers. This will enable the SWRB to provide strategic, cross-sectoral leadership to ensure supply of social workers meets the demand and to contribute to the sustainability of health and social services. Funding has been provided to enable the SWRB to take a staged approach to establishing its workforce planning function.

## Office of the Children's Commissioner

The Office of the Children's Commissioner (OCC) is an independent Crown entity and a corporation sole (meaning that the functions of the Board are vested in one person).

Appointments to this position are made by the Governor-General on the recommendation of the responsible Minister. There is no requirement to give effect or have regard to government policy.

OCC's role is to be the voice of the children and young people who make up 23 percent of New Zealand's population: to encourage government and organisations to take more child-centred approaches, to advocate for improving their wellbeing, and to raise awareness of issues that affect children.

OCC receives Crown funding (\$4.157 million in 2020/21, dropping to \$3.157 million in 2021/22) through Vote Social Development to achieve an improvement in the wellbeing of children through the provision of independent advocacy for the interests of children, and independent monitoring, advice and assurance to Ministers about services delivered to children under the Oranga Tamariki Act 1989.

OCC (and the Office of the Ombudsman) is working closely with the newly established Independent Children's Monitor (ICM), which monitors, assesses and provides assurance of the extent and quality of compliance under the Oranga Tamariki Act 1989 and the associated National Care Standards Regulations 2018.

## Statutory Tribunals – Appointments

There are three statutory tribunals, that MSD has an involvement with. As the Minister for Social Development, you make or recommend appointments to the following tribunals.

### Social Security Appeal Authority

This is an independent statutory tribunal, established under section 401 of the Social Security Act 2018. Its function is to hear appeals against decisions on income support entitlements made by MSD that have been confirmed or varied by a local Benefits Review Committee. They also hear appeals relating to decisions made by MSD on eligibility for public housing.

Appointments to the Authority are made by the Governor-General on the recommendation of the Minister for Social Development, after consultation with the Minister of Justice. Day-to-day operational support for the Authority is provided by the Ministry of Justice.

Advice will be provided to you on upcoming appointments to the Authority.

### **Student Allowance Appeal Authority**

This is an independent statutory tribunal, established under section 304 of the Education Act 1989. Its function includes hearing appeals against decisions made by MSD relating to student allowances. The Authority consists of a single member appointed by the Minister for Social Development. Day-to-day operational support for the Authority is provided by the Ministry of Justice.

### **Social Workers Complaints and Disciplinary Tribunal**

This is a statutory body established under section 114 of the Social Workers Registration Act 2003. Its function is to exercise disciplinary powers over registered social workers. Each case considered by the Tribunal requires five members: four appointed by the Social Workers Registration Board and one appointed by the Minister for Social Development. Day-to-day operational support for the Tribunal is provided by the Social Workers Registration Board.

Advice will be provided to you on upcoming appointments to the Tribunal.

## Portfolios within MSD

MSD hosts the following portfolios, which provide support and advice for key population groups. While these portfolios report to other Ministers, they still come under the responsibility of the relevant Deputy Chief Executive.

### Disability Issues

The Office for Disability Issues is part of MSD's Policy group and acts as a focal point in government on disability issues. It supports implementation in New Zealand of the United Nations Convention on the Rights of Persons with Disabilities and the New Zealand Disability Strategy and works towards a vision of New Zealand as a non-disabling society, where disabled people have an equal opportunity to achieve their goals and aspirations.

The Office works closely with the Disability, Seniors and International Policy team, which is responsible for disability-focused policy development. The Minister for Disability Issues is responsible for the appropriation that funds the Office for Disability Issues.

### Seniors

The Office for Seniors is part of MSD's Policy group and acts as a focal point within government for information and advice on issues affecting older people and their wellbeing, based on sector engagement and good practice.

The Office supports the implementation of the Better Later Life – He Oranga Kaumātua 2019 to 2034 strategy, which provides a roadmap on how to support older people over the next 15 years.

The Office works closely with MSD's Seniors Policy team, which is responsible for the development of policies on income support and social issues relevant to seniors.

The Minister for Seniors is responsible for the appropriation that funds the Office for Seniors.

### Youth

The Ministry of Youth Development (MYD) is part of MSD's Māori, Communities and Partnerships group and encourages and supports young people between the ages of 12 and 24 years to develop and use knowledge, skills and experiences to participate confidently in their communities.

MYD takes a strategic approach to partnering with the business and philanthropic sectors to provide the positive opportunities needed for all young people.

The Policy team in MSD provides advice to the Minister for Youth on policies that seek to improve outcomes for young people through youth development.

The Minister for Youth's Partnership Fund Board has been active in supporting the development of partnerships with philanthropic organisations, business, iwi, government and other funders to collectively engage and collaborate in order to support quality youth development and/or youth enterprise opportunities for rangatahi.

The Minister for Youth is responsible for the appropriation that funds MYD.

## Appendix 1: MSD's Leadership Team



**Debbie Power,**  
**Chief Executive**



**Justine Cornwall**  
**Director, Office of the Chief Executive**

The Office of the Chief Executive provides high-level strategic, organisational and operational advice, and manages key external relationships across the social sector as well as across the entire State sector.



**Viv Rickard**  
**DCE, Service Delivery**

Service Delivery is our operational arm. It delivers employment, housing, financial and support services in sites throughout New Zealand and online. With a team of 6,500 people Service Delivery also makes payments to over 800,000 seniors and 200,000 students and recently paid wage subsidies to 968,000 employers.



**Marama Edwards**  
**DCE, Māori, Communities and Partnerships**

Māori, Communities and Partnerships is responsible for building capability across the organisation to support the aspirations of Māori, and for connecting and collaborating to build effective partnerships and community approaches that achieve better outcomes for those who most need our support.



**Nic Blakeley**  
**DCE, Strategy and Insights**

Strategy and Insights is responsible for the development and implementation of MSD's strategy by creating insights for effective decision-making, focusing resources on the right investments, and understanding and evaluating performance.



**Simon MacPherson**  
**DCE, Policy**

The Policy branch provides policy advice on welfare system change and wider social development, income, employment and housing support, regional development, issues faced by seniors and people with a disability, child and youth-related policy,



**Stephen Crombie**  
**DCE, People and Capability**

People and Capability is responsible for providing corporate services that provide capability to MSD and shared corporate services for other agencies, and for hosting services for Historic Claims, the Independent Children's Monitor and Social Services Accreditation.



**Nadine Kilmister**  
**DCE, Organisational Assurance and Communication**

Organisational Assurance and Communication is responsible for ensuring the overall integrity of MSD's operations by making sure there is ongoing compliance with legislation and policy, communication with the public and stakeholders is effective, and Ministers are supported.



**Liz Jones**  
**DCE, Business Integration**

Business Integration is an integrated MSD work programme that supports the implementation of our strategic change programme and the new service approach to meet the needs of clients and whānau.

## Appendix 2: Key Ministry officials

Name	Title	Mobile	Direct Dial
Debbie Power	Chief Executive	Section 9(2)(a) of the Official Information Act	
Justine Cornwall	Director, Office of the Chief Executive Secondment until March 2021		
Viv Rickard	Deputy Chief Executive, Service Delivery		
Marama Edwards	Deputy Chief Executive, Māori, Communities and Partnerships		
Nic Blakeley	Deputy Chief Executive, Strategy and Insights		
Simon MacPherson	Deputy Chief Executive, Policy		
Stephen Crombie	Deputy Chief Executive, People and Capability		
Nadine Kilmister	Deputy Chief Executive, Organisational Assurance and Communication Secondment until March 2021		
Liz Jones	Deputy Chief Executive, Business Integration Secondment until 30 June 2021		

## Appendix 3: Vote Social Development

Responsible for an appropriation in the Vote	2020/2021 financial year	Non-departmental includes Housing
<b>The Minister for Social Development</b>	\$1.6 billion	\$30.7 billion
<b>The Minister for Youth</b>	\$2.399 million	Non-departmental
	Administering Youth Development	\$8.562 million Delivering Youth Development
<b>The Minister of Revenue</b>	\$19.673 million	\$1.7 billion
We support the Minister of Revenue through the administration of student loans		
<b>The Minister for Disability Issues</b>	\$7.198 million	\$135 million
<b>The Minister for Veterans' Affairs</b>	\$684,000	
We support the Minister for Veterans' Affairs through the administration of the Veteran's Pension		
<b>The Minister for Seniors</b>	\$2.997 million	
<b>The Minister of Housing</b>	\$61.492 million	\$2.5 billion

## Appendix 4: Legislation MSD manages and/or administers

- Artificial Limb Service Act 2018
- Children's Commissioner Act 2003
- Department of Child, Youth and Family Services Act 1999
- Disability (United Nations Convention on the Rights of Persons with Disabilities) Act 2008
- Disabled Persons Community Welfare Act 1975
- Education Act 1989, Part 25
- Family Benefits (Home Ownership) Act 1964
- New Zealand Sign Language Act 2006
- New Zealand Superannuation and Retirement Income Act 2001 (Part 1 and Schedule 1)
- Residential Care and Disability Support Services Act 2018
- Social Assistance (Portability to Cook Islands, Niue, and Tokelau) Act 2015
- Social Assistance (Residency Qualification) Legislation Act 2018
- Social Security Act 2018
- Social Workers Registration Act 2003
- Vulnerable Children Act 2014 (renamed to Children's Act 2014), Part 2
- Public and Community Housing Management Act 1992 (MSD is responsible for administering Parts 6, 7, 8 and 9 and the relevant Ministerial Directions)



