

# An Overview of the Ministry of Social Development for New Ministers

December 2016

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## **Introduction: About this document**

This paper aims to help you better understand the role and capabilities of the Ministry of Social Development. It includes some information on the structure and role of MSD, the range of services we provide, the current change process to establish the Ministry of Vulnerable Children, Oranga Tamariki and the other portfolios supported by MSD (Social Housing, Youth Development, Disability Issues and Senior Citizens).

Part 1 provides an overview of the Ministry of Social Development (MSD) and outlines the services we deliver.

Part 2 describes our strategic direction, strategic priorities and how we are responding to our changing environment.

Part 3 describes MSDs current structure and the planned structures for the new agencies to be established from 1 April 2017. These are: : A new Ministry for Vulnerable Children, Oranga Tamariki, that will focus on protecting and supporting vulnerable children, and will be ready to begin operation by 1 April 2017, and a reconfigured Ministry of Social Development focussed on delivering a range of services that have both social and economic impacts including income support, social housing and employment services.

Part 4 describes the transition process we will go through to establish the two separate agencies.

Part 5 provides a brief overview of the other portfolios that MSD supports: Social Housing, Youth Development, Disability Issues and Seniors.

## Part 1: Roles and functions – who we are and what we do

The social development portfolio directly influences the strength and fabric of New Zealand’s society and economy. It impacts on nearly every New Zealander at some stage in their lives. The portfolio is responsible for around \$25 billion of expenditure each year and encompasses the Social Development, Social Housing, Seniors, Disability Issues and Youth portfolios. It is accountable for 1 in every 4 dollars the Government spends. A summary of the MSD baseline is below:

Total baseline	2016/17 \$m	2017/18 \$m	2018/19 \$m
New Zealand Superannuation	13,040.3	13,669.2	14,357.5
Other BORE (Benefits and Other Related Expenditure) <sup>1</sup>	7,313.1	7,260.8	7,270.2
Student Loans and Recoverable Assistance	1,798.9	1,827.5	1,839.3
Other Non-departmental Expenditure (includes housing IRRS)	1,281.1	1,359.5	1,437.8
Departmental Expenditure	1,534.5	1,451.9	1,421.6
Total baseline	24,967.9	25,454.6	26,207.3

The table above makes it clear that the vast majority of Vote: Social Development is spent in direct transfers to clients, and of that, two thirds goes to New Zealand Superannuitants.

MSD has around 10,000 staff in over 280 locations across New Zealand, including service centres, community link offices, outreach offices, processing centres, contact centres, and regional offices. We also work closely with other government agencies, non-government organisations, advisory and industry groups, employers and training providers, communities and Iwi. Together we help individuals and families overcome the barriers they face to participate in society and contribute to the economy.

MSD currently provides strategic and population-based social policy advice and services to achieve core government functions including income support services, social housing, employment and training, New Zealand Superannuation, statutory care and protection and youth justice services and contracts with NGO providers for a range of other

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<sup>1</sup> This includes main working age benefits and second and third tier payments such as accommodation supplements and emergency payments

community based services. It also manages the actuarial liabilities for social housing and welfare. Services and assistance are provided to more than 1 million New Zealanders every year. Accordingly, it is one of the largest government agencies, with a broad range of functions and a presence in most communities across New Zealand.

MSD is responsible for:

- assessment and payment of welfare benefits and entitlements
- employment support and training
- social housing assessments and services
- assessment and payment of New Zealand Superannuation and Veterans' Pensions
- access to concessions and discounts for seniors, families and those on low incomes
- payment of student allowances and student loans
- campaigns that challenge antisocial attitudes and behaviour
- services to uphold the integrity of the welfare system
- statutory care and protection of children and young people
- youth justice services
- adoption services
- funding for community service providers and support for families and communities
- advice to the Government on social policy.

### *Service Delivery (Work and Income)*

Every year, MSDs Work and Income service line (known internally as Service Delivery) provides services to hundreds of thousands of our clients to ensure they receive the help they need. We spend over \$200 million on transactional services each year, which amounts to almost a quarter of our operating budget.

Each year Service Delivery:

- receives 3.5 million applications for financial assistance
- receives 10,000 online benefit applications
- grants 300,000 benefits
- cancels 230,000 benefits and
- identifies 17,000 overpayments through data matching
- lists around 15,000 jobs for employers and
- assists 80,000 people off benefit and into work.

## *Social housing*

As at 30 October 2016, there were 67,456 social housing properties, including 64,192 Housing New Zealand and 3,264 Community Housing Provider (CHP) properties. 41 CHPs are registered with the Community Housing Regulatory Authority in MBIE. 32 CHPs have an Income-Related Rent Subsidy (IRRS) contract with MSD and 27 are receiving IRRS funding.

As at 30 September 2016:

- there were 4,602 applications on the Housing Register
- of these, Priority A applications (people considered "at risk") were up 50 per cent on the previous year (to 3,011) and Priority B applications (people with a "serious housing need") were up 5 per cent
- there were 1,168 applications on the Transfer Register
- of these, Priority A applications were up 14 per cent on the previous year (to 652) and Priority B applications were up 6 per cent (to 516).

Each month:

- around 16,000 calls are received on the Housing 0800 number.

In 2015/16:

- MSD placed 8,238 social housing needs on the social housing register.

Between 1 October 2015 and 30 September 2016:

- 6,225 applicants were housed, an average of 120 per week.

## *Child, Youth and Family (CYF)*

The CYF service line supports thousands of vulnerable children and families every year. For example, in the year ending 30 June 2016 they:

- CYF received notifications (including Police family violence referrals) in respect of 142,249 children and young people
- of these, 44,689 required further action
- 7,757 children and young people were involved in care and protection family group conferences (FGCs)
- 6,114 children and young people were referred for youth justice FGCs
- of these, 280 were child offenders (aged under 14), 2,309 were referred by Police for intention-to-charge FGCs, and 3,525 were referred by the courts following prosecution.

As at 30 June 2016:

- 5,312 children and young people were in the custody of the Chief Executive, of whom 4,394 were in out-of-home placements.

## Part 2: Strategic direction

The changes to our role and functions from 1 April 2017, as a result of the establishment of the Ministry for Vulnerable Children, Oranga Tamariki, have provided an opportunity for MSD to reconsider our overall strategic direction. In future MSD will be able to focus more strongly on economic outcomes in addition to our traditional focus on social outcomes. This will also enable us to work with our partners to improve the connections between the social and economic sectors.

The future strategy for the Ministry of Social Development is to become more:

- Evidence-based: Ensuring smarter decision making by using social investment approaches, outcomes evaluations and embedded front-line data – and acting on the results.
- Client-centred: Emphasising empathy and respect from our staff, empowering client decision making and ensuring services are easy to access and respond to what clients want and need.
- Targeted: Deliberate segmentation of the client base, so that the clients with the highest needs and greatest capacity to benefit receive the right kind of services.
- Integrated for efficiency: Partnering with others where appropriate, leveraging our regional presence and using sound back office technology.

Because we provide strategic social policy advice, have a strong regional presence and an operational focus and expertise in using data and analytics, MSD has an end-to-end view of the impact of interventions and the extent to which these improve both social and economic outcomes.

Economic outcomes are not a new focus area, but they are becoming more significant. At a national level, the actuarial valuation reports and liability measures (for the benefit system and for social housing) have created direct information to measure our contribution to economic settings. At a regional level, our regional partnerships with employers, industry decision-making bodies and training providers help us to address labour market needs and underpin our work to help people into employment and training.

### Our strategic priorities

The table below outlines our key priorities over the next four years that will enable MSD to deliver on our goal to enhance our contribution to both the social and economic outcomes of New Zealand.

#### Supporting the establishment of the Ministry for Vulnerable Children, Oranga Tamariki

The Government has decided to fundamentally change the way the system identifies, supports and protects vulnerable children and young people.

Over the next two years our focus will be to support the Ministry for Vulnerable Children, Oranga Tamariki and determine how we will work together to support common clients and providers.

## Reducing the welfare liability

Reducing people's dependence on welfare helps improve social and economic outcomes by enhancing people's capabilities to support their families and contribute to their communities, and lowers the long-term fiscal liability to New Zealand. This priority is underpinned by the Better Public Services Result 1 targets.

Our focus over the next four years will be to work more effectively with clients who face significant challenges, to be work ready and supported to attain sustainable work. A concerted cross-agency effort is also required and we are working closely with social sector agencies and non-governmental agencies to identify and implement innovative initiatives to help achieve the target.

## Delivering a seamless and easy client experience

New Zealanders' expectations about how they want to interact with government services are changing. Increasingly, New Zealanders want more control over the services they receive, including being able to complete transactions at a time and place that suits them.

As a client-centred organisation, the Ministry is responding to these changing expectations by using technology and innovation to enable our clients to self-serve where they are able, and delivering services more efficiently, so that more resource can be directed to providing more effective services to those with more complex needs. This is known as the 'simplification' project.

## Enhancing the social housing system

Secure housing enables vulnerable New Zealanders to focus on other aspects of their lives such as finding work, engaging in education or training, contributing to their communities or accessing medical care to improve their health.

The Ministry spends almost \$2 billion a year on housing support and services. Over the coming years, we will continue to manage the social housing register, meet emergency housing needs and become an active purchaser in the social housing market. We will apply an investment approach to social housing to help change the system from a relatively passive system, to a more active one that houses the right people, in the right place, and for the right duration and cost.

## Contributing to the social sector and the social investment approach

Putting clients at the centre of how the Ministry works commits us to joining up across the social sector where agencies have clients in common.

We continue to play an important role in leading and supporting effective cross-sector governance and initiatives to ensure greater collective impact of these services on those who need them most.

## Transforming the Ministry of Social Development

Government's decision to significantly transform the care and protection system supporting vulnerable children and young people has provided an opportunity to review MSD's strategy, structure and systems.

Over the next four years we will embed our refreshed strategic direction, organisational structure and operating model to enhance our contribution to Government's social and



economic outcomes. We will invest in staff capability, business efficiency, and innovation, to meet future responsibilities and client needs.

#### Enhancing a culture of health, safety and security for staff and clients

Ensuring the health, safety and security of our staff is fundamental to enable us to deliver services with confidence. Staff have a right to be and feel safe at work. this need is especially acute at our frontline sites, where staff engage on a daily basis with New Zealanders experiencing varying degrees of insecurity

We will continue to build on the culture of health, safety and security that we have established by embedding the health, safety and security operating model and increasing compliance in safety and security practices. This helps grow staff and organisational capability and maturity to deal with all aspects of health, safety and security practices to respond, prevent and minimise risk.

#### Supporting strong, inclusive communities

New Zealand is a diverse nation, and the face of New Zealand continues to change rapidly. People who live in strong, inclusive communities are supported and valued. They are independent, resilient to life-shocks, and able to select the mixture of activities and services that best meets their needs.

The Ministry continues to provide support to enable young adults, seniors and people with disabilities to participate fully in their communities. We will continue to work across government and with NGOs, business and individuals to effectively respond to the evolving demands of the most vulnerable people in our society.

## We also provide leadership across the social system

MSD is also the social sector lead agency. This means the Chief Executive of MSD Chairs the Social Sector Board, which includes the Chief Executives of the Ministries of Health, Education, Justice, Business, Innovation and Employment, Vulnerable Children, Oranga Tamariki, Pacific Peoples, Te Puni Kokiri, the Department of Corrections and the New Zealand Police. The Chief Executive of MSD is also a member of the independently chaired Vulnerable Children’s Board. The work of the Social Sector Board is supported by the Ministry’s Social Sector Strategy group and secretarial support is provided to both Boards.

The Social Sector Board has overseen improvements in cross-agency approaches in recent years; however the changes in the wider social sector as a result of the transformation of the vulnerable children’s system has provided an opportunity to review sector leadership approaches. Section 9(2)(f)(iv) Active Consideration

Section 9(2)(f)(iv) Active Consideration

## Social Investment and MSD's Investment Approach

In recent years 'social investment' or the 'investment approach' has been an increasingly important part of MSD's service delivery and advice. The investment approach involves taking a long-term perspective to spending on people's education, health and well-being - investing on the basis of increasing long term benefits and reducing long term costs rather than just focusing on the short term.

On one level, this is what we have always tried to do with social expenditure. What is different with the investment approach is the greater rigour and transparency we endeavour to bring to these questions.

At the core of the investment approach are several key building blocks:

- (1) Clear performance goals and accountability mechanisms
- (2) The use of data and analytics to better understand sectors and client groups. An important part of this has been the use of actuarial techniques, such as the actuarial valuation of forward liability of the benefit system (risk of long term benefit receipt for particular cohorts)
- (3) Financial and operational flexibility to target funds (and service responses) to those groups with amenable risk profiles
- (4) Trialling and testing new service responses (both internally and externally delivered)
- (5) Monitoring and evaluation
- (6) Potential to re-invest benefit savings in proven effective service responses (which may be directly delivered or externally purchased).

The approach started with welfare reform where we used actuarial modelling to establish the lifetime costs (liability) of both the overall system and of specific client segments (largely defined by benefit categories) and cohorts (groups of clients with similar characteristics) within the system through an annual valuation. This has added a level of transparency about the Crown's exposure to future welfare costs that had not previously existed.

This is an area that continues to evolve. Other social sector agencies have been building on the basic concepts, and have begun to take it considerably further. We are also applying similar social investment approaches to other areas. We have completed the first valuation of the social housing system. Work is underway on the first valuation of the vulnerable children's system. We are working through questions such as:

- How do we complement actuarial valuations with other approaches such as evaluation, quasi-experimental studies, cost benefit and return on investment analysis?
- What is the best measure of success for social housing and vulnerable children?
- How do we think about benefits (e.g. well-being, resilience and human capital development) as well as liabilities?
- How do we make best use of linked administrative datasets collected in the Statistics NZ IDI?
- How the valuations of the welfare and social housing systems can be used together.

## Part 3: MSDs structure and regional and local responses

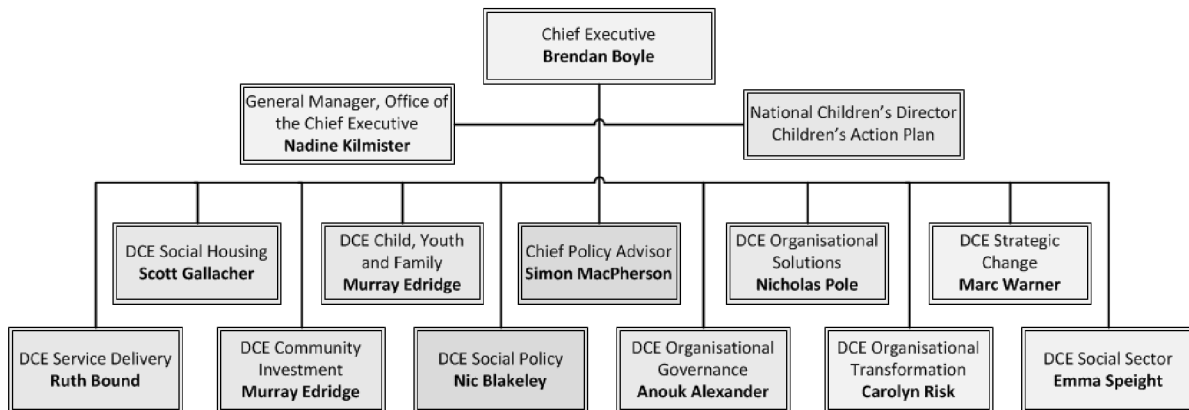
The Social Development portfolio is currently undergoing a period of significant change and realignment. Earlier this year Government announced a four to five year process to fundamentally transform the vulnerable children's system. The decisions to support that process include establishing a new agency, the Ministry for Vulnerable Children, Oranga Tamariki, and transferring our existing responsibilities for functions that support vulnerable children and young people to the new agency from 1 April 2017. This includes the transfer of approximately 3,300 staff. The Ministry of Social Development will continue to focus on providing high quality services and supporting staff and service providers through the transition.

### Our current structure (up until 31 March 2017)

MSD currently has 12 business groups structured around five clusters, configured as follows:

- *The Service Delivery Cluster* provides income support, housing assistance and employment services through the Service Delivery and Social Housing groups, while Child, Youth and Family and Community Investment (including the Ministry of Youth Development) provide child protection, youth justice and community support services.
- *The Policy Cluster* provides policy advice in the areas of our responsibility and leads social sector-wide policy advice through the Social Policy Group (including the Office for Seniors and the Office for Disability Issues) and the Office of the Chief Policy Advisor.
- *The Corporate Cluster* ensures we are governed efficiently and effectively, reports on key accountabilities, provides a centralised Data Hub, supports Ministers and provides other corporate support services to the business groups through the Organisational Solutions and Organisational Governance groups and the Office of the Chief Executive.
- *Strategic Change* manages major change programmes, primarily (but not exclusively) the establishment of the Ministry for Vulnerable Children, Oranga Tamariki and the consequent changes to the Ministry of Social Development.
- *Social Sector* contributes to cross-sector governance and supports social sector Chief Executives and their agencies to deliver on collective responsibilities.

## Ministry of Social Development : Current structure



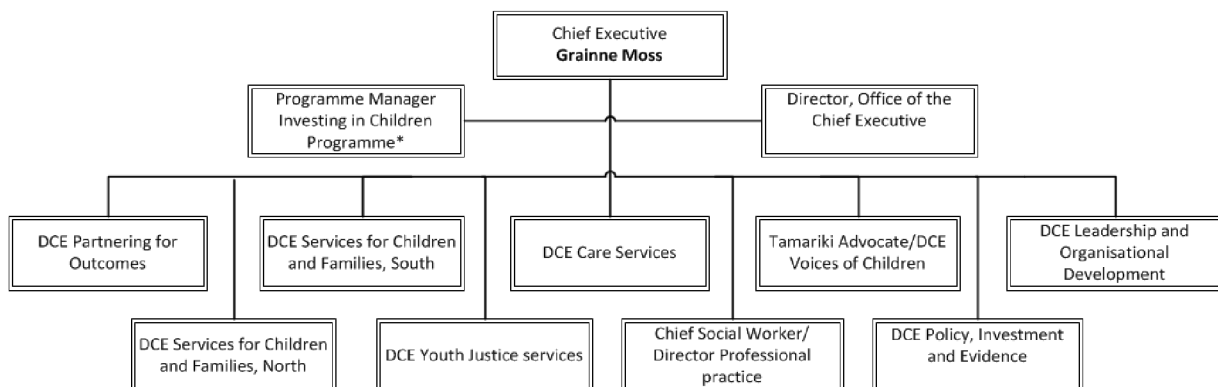
This structure will remain in place until 31 March 2017, when the Ministry of Vulnerable Children, Oranga Tamariki will be launched and the Ministry of Social Development will move into a revised structure. MSD's new structure will offer a balanced focus between the social and economic outcomes government is seeking for all New Zealanders and a more strategic approach to working with our partners across sectors.

## Our planned structure (from 1 April 2017)

Final decisions on the new structure were announced on 9 December, following a staff consultation process. The Ministry of Vulnerable Children, Oranga Tamariki, and the new structure for MSD will both come into effect on 1 April 2017.

### Ministry of Vulnerable Children, Oranga Tamariki from 1 April 2017

It will be established with a flat management structure to enable it to achieve the bold and urgent overhaul of how we care for our most vulnerable children that was envisaged by Cabinet and the Expert Panel on the modernization of Child, Youth and Family.

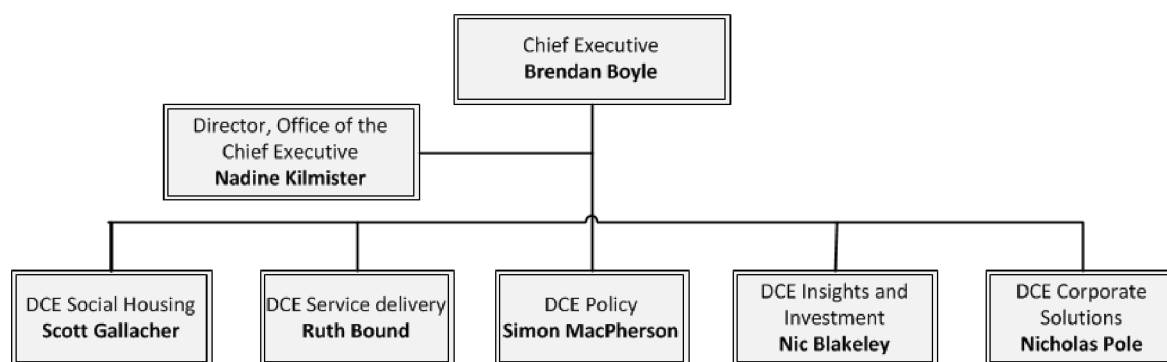


\*Time limited position

## Ministry of Social Development from 1 April 2017

The Chief Executive of MSD has also taken the opportunity offered by the establishment of the Ministry of Vulnerable Children, Oranga Tamariki, to review MSD's organisational structure and streamline it to position us to more effectively support MVCOT and to achieve Government's outcomes for social and economic development.

The new structure of MSD streamlines the current business groups (minus the children's services) into five.



This structure aims to increase collaboration between business units to ensure we operate as a single enterprise. The Office for Seniors and Office for Disability Issues will remain in the Policy group. The Ministry for Youth Development will form part of the Service Delivery group alongside the Community Investment functions that are not focussed on vulnerable children.

By connecting people to entitlements, work and training opportunities and appropriate housing, we support a stable foundation from which people and their families can access education, training and jobs, providing them with the ability to make decisions and choices about their future aspirations

The organisational structure and key facts about the Ministry of Social Development are summarised in the A3 attached as Appendix 1.

## Site management in a changing security environment

As part of its role as the Government's key provider of social services, MSD manages a large network of regional sites, covering the length and breadth of New Zealand. This network incorporates approximately 140 sites, operated by 3,300 staff.

Managing this network requires MSD to regularly make decisions about how it allocates limited resources, to provide effective and responsive services to clients. This includes considering how changes in demand, the needs of clients, and the wider environment (e.g. technology changes) impact on how we provide services to clients.

Most recently, security of staff and clients has become an important consideration, as it has become clear that we are operating in a changing safety and security environment. On 1 September 2014, a gunman entered our Ashburton Service Centre, shot dead two Work and Income employees (Peggy Noble and Susan Leigh Cleveland) and wounded a third employee (Lindy Curtis).

Since Ashburton, MSD has focused on enhancing the safety and security of staff and clients. In 2014, the Security Response Programme was established to address recommendations from an Independent Security Review of the Ministry completed after the Ashburton tragedy. It developed a new security framework ('security ecosystem') for MSD.

MSD is also taking into account other changes, including the introduction of the Health and Safety at Work Act 2015 and new Protective Security Requirements which came into effect at the end of 2014 and which all government agencies are required to meet. Between October 2015 and January 2016, the Ministry completed trials at two sites, in Levin and Wellington, which were designed in a potential future state physical layout and supporting training encompassing the principles of an enhanced security framework.

These trials were the catalyst for the Future State Office Environment programme, which will help respond to the changing safety and security environment by redesigning our frontline sites and building on the changes to our security framework that have already been implemented, to further enhance the safety and security of clients and staff.

In addition, we are focused on making it easy for clients to interact with us and for smarter ways to do things through a change initiative known as 'Simplification'. The way we interact with clients, and the channels we use, are evolving. The physical environment needs to support and enable this. MSD has established a Future State Office Environment programme, which provides a longer term opportunity to align an enhanced physical design with our new business needs now and into the future.

## **Preparation to respond to high profile events and emergencies**

There are several types of emergency that MSD may need to respond to during the holiday period, for example:

- A regional-level civil defence emergency (eg: the Kaikoura earthquake, local storms or flooding) that can close sites and cause harm to the public
- A national-level emergency (such as a big Wellington earthquake) that could cause Government to temporarily relocate to an alternative location

For regional and national civil defence type emergencies, MSD has well-developed and practised business continuity and emergency management arrangements for all these types of emergencies, and always has leadership coverage.

In response to an emergency event, MSD will:

- Activate incident management arrangements as appropriate to respond to the event at the local, regional and national levels. This includes establishing an Emergency Operation Centre with an appointed Incident Controller and activating adverse event related assistance like Civil Defence payments, which are made to affected people for emergency needs such as food, accommodation and clothing;
- Ensure MSD's critical functions continue to be delivered. These are primarily focused around ensuring care and protection to children and young people, financial

assistance and social housing services, as well as the corporate infrastructure (for example IT, property, HR) required to support these functions;

- Develop and implement new forms of extra assistance and services (for example the earthquake support subsidy for employers) if required.

On-going steering over business continuity and emergency management is provided by the Incident Management Steering Group (IMSG) chaired by the Associate DCE for Organisational Solutions. The Ministry has a dedicated team responsible for leading the Ministry’s BC and EM work. The Corporate Capability Governance Committee provides strategic governance.

MSD is active in collaborating with other government and non-government agencies to ensure a cohesive, joined up response to emergency events.

### **Ensuring we’re prepared for a Wellington-based emergency**

As a result of the recent Kaikoura earthquakes, we are running a resilience work programme to ensure arrangements are fit-for-purpose. Our planning will enable us to meet expectations recently reinforced by ODESC to maintain critical functions and be able to respond at an appropriate scale to events.

#### *Auckland Default Plan*

In the event Wellington is significantly compromised by a catastrophic event, this plan transfers leadership to the Auckland region, delegating the Chief Executive’s powers to MSD’s Regional Commissioner for Auckland. This is to ensure MSD can continue to deliver its critical functions and services. This includes continuing to support our Ministers.

Name	Role under default plan	Contact details
Blair McKenzie, Regional Commissioner for Social Development Auckland	Delegated Chief Executive	Section 9(2)(a) - Privacy of the Person
Sharon Thom, Regional Director	Delegated Chief Executive (Primary alternate)	
Peter Anderson, Regional Commissioner for Social Development Waikato	Director Ministerial Services	

## Part 4: Change and Transition – Supporting the establishment of the new agency

On 1 April 2017 the current MSD will be split into two – the new Ministry for Vulnerable Children, Oranga Tamariki and a revamped MSD.

The Chief Executive of MSD and the Chief Executive Designate of the new Ministry for Vulnerable Children have agreed the allocation of existing MSD capability between the two agencies to ensure each agency has sufficient capability to support its functions and that the new Ministry can operate effectively from its inception.

The new leadership team of MSD was announced on 9 December 2016, and its immediate focus is on supporting the people transition process and working with the unions to support staff and managers through these changes.

Approximately 3,300 staff will be transferring to the Ministry for Vulnerable Children, Oranga Tamariki from 1 April 2017, largely from the existing Child, Youth and Family and Children’s Action Plan groups, as well as from parts of Community Investment and Social Policy. The structure of the new agency is set out later in this document and transition arrangements are in place to support staff through the changes. Around 6,700 staff will remain with the Ministry of Social Development.

**Table: High level allocation of functions and staff (FTE)**

Ministry for Vulnerable Children, Oranga Tamariki Function	FTE	Ministry of Social Development Function	FTE
Statutory Care and Protection	2,071	Social Housing, Welfare and Employment Support	4,816
Youth Justice Services	757	Office for Seniors <sup>2</sup> and Services for Seniors	18
Adoptions and International	5	Office for Disability Issues	7
Children's Action Plan	59	Social Sector Policy	16
Policy	36	Policy	91
Community Investment	166	Community Investment	70
Other (including High and Complex needs and funding for services to support vulnerable children and young people)	91	Other(including Fraud/Overpayments, concession cards, contract management and Simplification)	757
Corporate Services	132	Corporate Services	332
		Shared Corporate Services	669
Total FTE	3,317	Total FTE	6,776

<sup>2</sup> The Office for Seniors has a total of 5.5 FTE, the others here provide seniors services as part of the service delivery group.



## **Building a successful shared corporate service**

As part of the decisions to establish the Ministry for Vulnerable Children, Oranga Tamariki, Cabinet also directed MSD to provide shared corporate services to it for at least the first two years. This is intended to allow the new agency to focus on front-line operational changes to achieve Government's objectives for the vulnerable children's system.

Each agency will have some dedicated corporate services. Corporate services to support the strategic direction, design and delivery of core functions and the transformation of the vulnerable children's system will be embedded within the Ministry for Vulnerable Children, Oranga Tamariki. MSD will also provide transitional support while the new agency sets up these corporate services.

Other corporate services will be provided by MSD to the new agency via service level agreements or joint venture arrangements. Contracted services will include IT infrastructure, human resource and finance services, property and facilities management and data management. Joint venture services will include a Legal Centre of Expertise and risk and assurance services.

More than 700 MSD staff will be involved in delivering shared services. There may be opportunities to use this new capability to extend the service offering to support wider sector objectives and outcomes in the future. The specific arrangements with the Ministry for Vulnerable Children, Oranga Tamariki will be independently reviewed no later than 1 April 2019 to inform decisions about the on-going provision of these services.

### *Investing in Children Programme: Wider transformation of the vulnerable children's system*

The structural change and transition process is well under-way. All staff were advised of the final confirmed organisational structures for both MSD and the Ministry for Vulnerable Children, Oranga Tamariki on 9 December 2016. An immediate priority is to support staff in making the transformation, including working closely with staff whose positions are disestablished and identifying alternative roles or the most appropriate transition processes for each individual.

A comprehensive organisational transformation programme is in place to ensure all the day-one essentials for both organisations are ready to go on 1 April 2017. This includes safety checking the MSD children's workers who are transferring to the new agency.

The new roles of the MSD leadership team from 1 April 2017 were also confirmed on 9 December 2016 as part of the final decisions on the organisational structure as described in Part 2 of this document.

Although the new structure for MSD does not come into effect until 1 April 2017, the new Leadership Team will begin to engage with their new structural groupings early 2017. This will enable rapid progress to having good governance processes, a strong strategy for the future, operational policies and enabling processes supported by a constructive culture to be in place by 1 April 2017.

The transformational changes being applied to the new vulnerable children and young people operating model will ensure that, at all stages, the system best responds to the needs of vulnerable children and young people. Importantly, there will be a focus on supporting families and whanau early to help them develop stable and loving relationships with their children and prevent harm.

Full implementation of these changes is expected to occur over a four to five year timeframe, with core services under the new operating model phased in over that period.

## **Part 5: Other Portfolios supported by MSD**

MSD supports a number of linked portfolios that have strong connections to the core business of MSD to provide a safety net to for the most vulnerable New Zealanders and help all New Zealanders to be safe, strong and independent.

The linked portfolios are:

- Social Housing
- Youth
- Disability Issues, and
- Seniors.

### **The Social Housing Portfolio**

The Minister for Social Housing is responsible for social and emergency housing. Because social housing is cross agency in nature, the Minister for Social Housing is supported by a number of agencies. The Minister for Social Housing receives:

- advice from MSD on:
  - all aspects of social housing provision including the assessment process, the social housing register and purchasing social housing places
  - the Accommodation Supplement and the Income-Related Rent Subsidy
  - emergency housing
- advice from Treasury on:
  - the ongoing transfer of social housing properties from Housing New Zealand Corporation (HNZC) to community housing providers
  - monitoring HNZC and HNZC's accountability arrangements
- advice from the Ministry of Business, Innovation and Employment on:
  - the regulation of social housing providers
  - community group housing (a subset of properties owned by HNZC)
- advice from HNZC on tenant placements and tenancy management.

The last few years have seen major reforms to the social housing sector delivered by the Social Housing Reform Programme (SHRP), a cross-agency work programme aimed at building a fair, efficient and effective social housing system that supports the right people into the right house, for the right duration and cost.

Further detail about social housing and the SHRP will be provided to the Social Housing Minister in a Social Housing specific, Briefing to Incoming Minister of Social Housing.

### **The Youth Portfolio**

The Minister for Youth has an important role as an advocate for all New Zealand's young people aged 12-24 years across government and ensures that, where necessary, policies from other Cabinet portfolios take into account youth issues and perspectives.

The Minister is responsible for the Partnering for Youth Development multi-category appropriation within Vote Social Development, delivered through the Ministry for Youth Development (MYD). In the 2016/2017 financial year the Minister for Youth will be responsible for total funding of \$10.52 million in the Vote.

Youth development focuses on building capability and resilience in young people, through opportunities such as leadership, mentoring and volunteering. Young people will increasingly need skills - such as digital, entrepreneurial and enterprise skills – in order to become achieving and contributing citizens.

In 2015 there were an estimated 830,000 young people aged between 12 and 24 in New Zealand. Many are doing well, however social issues persist for some:

- In 2015, 83 percent of 18 year olds achieved NCEA Level 2 or equivalent. This equates to 71 percent of Māori, 78 percent of Pacific youth, and 87 percent of New Zealand European. [MoE Education profile 2014-2015].
- In 2012, the suicide rate for Māori (aged 15–24 years) was 48.0 per 100,000, compared with the non- Māori youth rate of 16.9 per 100,000.
- In 2014, unemployment for 15–24 year olds (at 15 percent) was close to three times the rate of those aged 25–34 years (5.9 percent). [MSD Social Report].

The Ministry of Youth Development (MYD), Te Manatū Whakahiato Taiohi, sits within MSD. It will move from the Community Investment group to the Service Delivery group on 1 April 2017. MYD is led by a Director and has two teams (Partnerships and Youth Development; a total of ten people). From 1 April 2017, additional ministerial support and policy advice will be provided by the Youth Development policy team in MSD.

In November 2015, Cabinet agreed to a new direction for youth development (SOC-15-MIN-0034.01 refers). This direction is focused on MYD, through an Investment Strategy (released in November 2016).

MYD administers funding for a range of programmes that deliver youth development opportunities and support Ministerial priorities. For example, youth development opportunities provided through various organisations, the Partnership Fund, to co-invest with a range of business, philanthropic and other non-government partners and Youth Enterprise Initiatives.

MYD also funds one-off events and grants to help young people achieve their potential through a range of leadership, mentoring and volunteering opportunities. These include Youth in Civil Defence and Emergency Services programmes, various Local Government Youth Projects, the triennial Youth Parliament (to be next held in 2019) and the Prime Minister's Youth Programme (a week-long programme for 100 South and West Auckland young people who have made a substantial attempt to make positive life changes).

## **The Disability Issues Portfolio**

The Minister for Disability Issues has a whole of government advocacy role on behalf of disabled people, particularly in relation to policy development and decision-making.

The Office for Disability Issues is the government's focal point on disability issues. Its key functions are to:

- support the Minister for Disability Issues in their advocacy role.
- coordinate and report on implementation of the United Nations Convention on the Rights of Persons with Disabilities and the New Zealand Disability Strategy.
- provide independent advice to government agencies on disability issues.
- share ideas and grow the understanding of issues that matter to disabled people.
- facilitate engagement between the disability sector and government agencies.
- provide secretariat support to the New Zealand Sign Language Board and Fund.

The Office for Disability Issues sits within MSD in the Social Policy Group. It has six full-time staff, headed by a Director. The Director of the Office can provide advice that is independent of the views of the Ministry of Social Development.

Currently, the key work of the disability issues portfolio involves:

- implementing the New Zealand Disability Strategy – developing an Outcomes Framework, improving data and evidence and updating the Disability Action Plan.
- developing options to apply the lessons from the Enabling Good Lives approach to transforming the disability support system.

## **The Seniors Portfolio**

The Minister for Seniors has a whole of government advocacy role on behalf of older people, particularly in relation to policy development and decision-making.

The Office for Seniors sits within MSD in the social policy group. It 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 promotes and supports engagement between agencies and older people across government, and provides independent and second-opinion advice to agencies and the Minister. It also promotes international and local examples of leading practice to improve outcomes for older people.

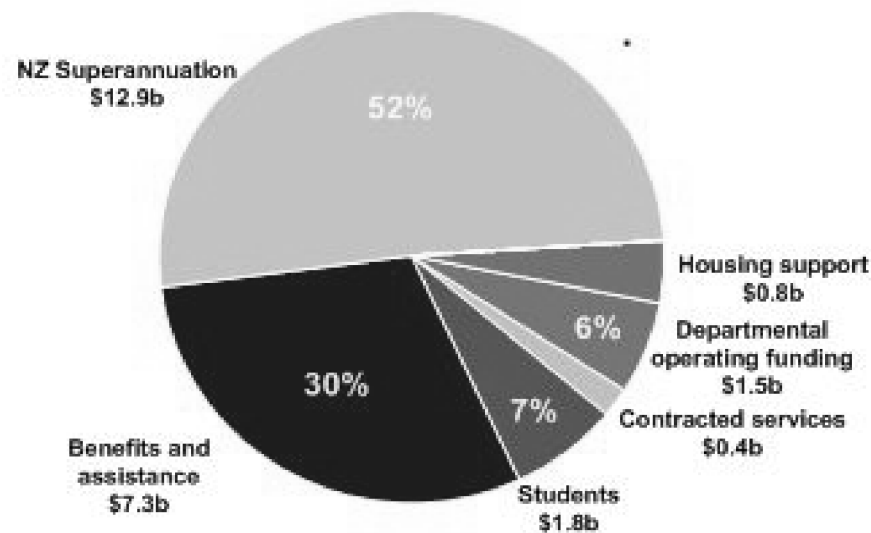
The Office is supported by, and works closely with, the Older People's Policy team.

Key issues and trends for the Seniors portfolio are:

- older people are working longer and are healthier, wealthier and better educated.
- population ageing involves both addressing the challenges and maximising opportunities.
- in future we expect a greater proportion of older people to have more complex needs.

# Appendix 1: A snapshot of the Ministry of Social Development

We administer nearly **\$25 billion\*** of government expenditure each year...



\* as at Budget Economic and Fiscal Update 2016

We provide **leadership across government** by...

- Chairing the Social Sector Board
- Providing cross-agency leadership for two of the Government's Better Public Service results, and supporting a further six
- Housing the Children's Action Plan Directorate
- Coordinating two Treaty Settlement Social Sector Accords (Te Hiku and Tuhoë)

Key pieces of **legislation we manage and administer**...

- Social Security Act 1964
- Children, Young Persons and Their Families Act 1989
- Adoption Act 1955; Adoption (Intercountry) Act 1997; Adult Adoption Information Act 1985 (operational administration)
- Vulnerable Children Act 2014
- New Zealand Superannuation and Retirement Income Act 2001
- Social Workers Registration Act 2003
- Children's Commissioner Act 2003
- Families Commission Act 2003
- New Zealand Sign Language Act 2006

We work with over **1 million New Zealanders every year\*** ...

- 280,000 receive a working-age benefit
- 3,000 young people receive a youth benefit
- 142,000 children were the subject of notifications to CYF
- 5,300 children and young people in our custody, 4,400 in out-of-home placements
- Over 2,000 agreements for funding community-based social services
- 704,000 older people receive New Zealand Superannuation or other retirement income
- 48,000 assessments of people's social housing needs
- Over 228,000 student loan and 127,000 student allowance applications processed to help students into study
- Almost 980,000 Community Services Cards and SuperGold Cards help people access health care

\* all figures from the Ministry's 2015/2016 Annual Report

We help New Zealanders to help themselves to be **safe, strong and independent**

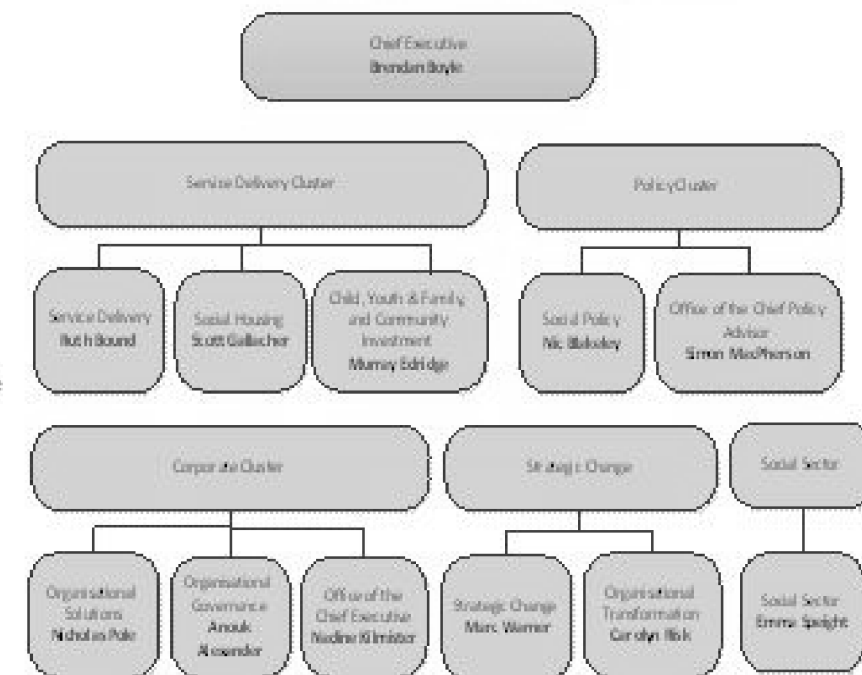
Through **our services** we work with almost every New Zealander at some point in their lives by...

- providing care and protection for children and young people, youth justice services and adoptions\*
- providing financial assistance and support to working-age New Zealanders and helping people get into sustainable work
- helping people into sustainable work through employment support and training
- assessing eligibility for social housing, case management, and purchasing places for emergency and social housing
- providing entitlements to seniors; and assisting students to overcome financial barriers to higher education
- contracting and funding a mix of services, programme delivery, and community development initiatives designed to strengthen local communities and families, such as parenting programmes†
- focusing on specific groups through the Office for Disability Issues, Ministry of Youth Development and Office for Seniors

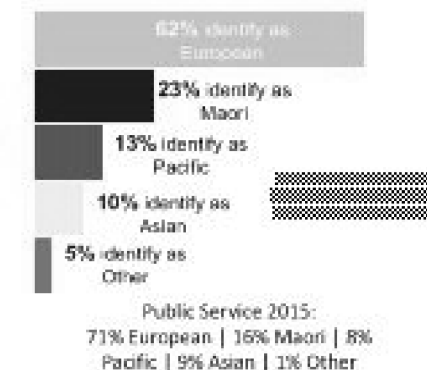
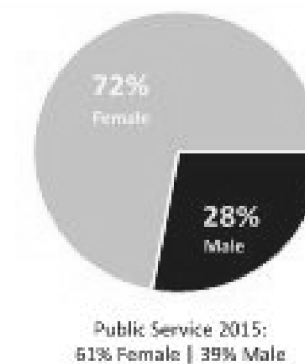
\*Service will be transferred to MNCOT from 1 April 2017

†Service will be split between MSD and MNCOT from 1 April 2017

Our structure and people...



We have approximately **10,000 people** working in **286 locations** across New Zealand



We monitor four **Crown entities**...

- **The Children's Commissioner** independently monitors and assesses services provided under the CYPF Act, and advocates for the interests, rights and wellbeing of children and young people
- **Superu / the Families Commission** advocates for families, and provides research and evidence to inform the development and implementation of social policies, programmes and services designed to improve the lives of New Zealanders
- **The New Zealand Artificial Limb Service** provides individualised services to rehabilitate amputees
- **The Social Workers Registration Board** manages the registration of social workers, including overseeing the social work qualifications framework