

# The Treasury

## Budget 2024 Information Release

### September 2024

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Key to sections of the Act under which information has been withheld:

- [1] 6(a) - to avoid prejudice to the security or defence of New Zealand or the international relations of the government
- [23] 9(2)(a) - to protect the privacy of natural persons, including deceased people
- [25] 9(2)(b)(ii) - to protect the commercial position of the person who supplied the information or who is the subject of the information
- [27] 9(2)(ba)(ii) - to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest
- [31] 9(2)(f)(ii) - to maintain the current constitutional conventions protecting collective and individual ministerial responsibility
- [33] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [34] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [35] 9(2)(g)(ii) - to maintain the effective conduct of public affairs through protecting ministers, members of government organisations, officers and employees from improper pressure or harassment;
- [36] 9(2)(h) - to maintain legal professional privilege
- [37] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice
- [38] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
- [39] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage
- [40] 18(c)(i) - that the making available of the information requested would be contrary to the provisions of a specified enactment

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# Cabinet

## Minute of Decision

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

### Budget 2024 Package: Vote Social Development (Technical Initiatives)

On 29 April 2024, Cabinet:

#### Appropriation Administrator: Ministry of Social Development

- 1 **approved** the Budget initiatives for the above Vote for inclusion in the 2024 Budget package, as listed in the summary table below and detailed in the attached initiative documents:

#### Summary of technical initiatives:

##### Operating Initiatives (Impact on Operating Balance)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
15941	Fiscally Neutral Adjustment for MSD's Departmental Appropriations for Changes in Cost Drivers in 2023/24	-	-	-	-	-
15943	Flexi-Wage Employment Assistance Funding Transfer from Non-Departmental to Departmental Category of Employment MCA	-	-	-	-	-
15972	Regional System Leadership Framework Cross-Agency Support	(4.000)	4.000	-	-	-
15973	Shared Approach to Back-Office Transformation	-	(0.400)	(0.400)	(0.400)	(0.400)
15969	Support Funds to Provide Costs of Disability Assistance to Disabled People	(8.220)	2.687	2.739	2.794	-
15998	Transfer of the Forensic Coordination Service	-	-	-	-	-
<b>Total Operating</b>		<b>(12.220)</b>	<b>6.287</b>	<b>2.339</b>	<b>2.394</b>	<b>(0.400)</b>

Note: Throughout the document, “total operating” refers to funding over five years (2023/24 to 2027/28) and “total capital” refers to funding over 10 years (2023/24 to 2032/33).

Rachel Hayward  
Secretary of the Cabinet

**Vote:** Social Development

**Appropriation Administrator:** Ministry of Social Development

**Title:** Fiscally Neutral Adjustment for MSD's Departmental Appropriations for Changes in Cost Drivers in 2023/24

**Description:** The Ministry of Social Development allocates costs to appropriations based on various cost drivers such as time spent on activities, volume data and demand driven services. The information required to allocate costs to appropriations was not available in time for the 2024 March Baseline Update. A fiscally neutral adjustment is sought to reflect changes in cost drivers during 2023/24, with a flow-on impact on a number of appropriations.

### Appropriation Changes

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Operating Balance Impact*	-	-	-	-	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

\* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
<b>Departmental Output Expenses:</b>					
Data, Analytics and Evidence Services (funded by revenue Crown)	2.000	-	-	-	-
Historic Claims Resolution (MYA) (funded by revenue Crown)	(5.400)	-	-	-	-
Income Support and Assistance to Seniors (funded by revenue Crown)	(9.300)	-	-	-	-
Investigation of Overpayments and Fraudulent Payments and Collection of Overpayments (funded by revenue Crown)	(5.248)	-	-	-	-
Management of Student Loans (funded by revenue Crown)	0.200	-	-	-	-
Management of Student Support (funded by revenue Crown)	0.100	-	-	-	-
Planning, Correspondence and Monitoring (funded by revenue Crown)	(2.300)	-	-	-	-

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Policy Advice (funded by revenue Crown)	(1.500)	-	-	-	-
Promoting Positive Outcomes for Seniors (funded by revenue Crown)	0.150	-	-	-	-
Services to Support People to Access Accommodation (funded by revenue Crown)	(12.678)	-	-	-	-
<b>Multi-Category Expenses and Capital Expenditure:</b>					
Community Support Services (MCA)					
<i>Departmental Output Expenses:</i>					
Developing and Managing Community Services (funded by revenue Crown)	2.000	-	-	-	-
Total Multi-Category Expenses and Capital Expenditure: Community Support Services (MCA)	2.000	-	-	-	-
Improved Employment and Social Outcomes Support (MCA)					
<i>Departmental Output Expenses:</i>					
Administering Income Support (funded by revenue Crown)	(9.000)	-	-	-	-
Improving Employment Outcomes (funded by revenue Crown)	25.976	-	-	-	-
Improving Work Readiness Outcomes (funded by revenue Crown)	18.000	-	-	-	-
Jobs and Skills Hubs (funded by revenue Crown)	(3.200)	-	-	-	-
Total Multi-Category Expenses and Capital Expenditure: Improved Employment and Social Outcomes Support (MCA)	31.776	-	-	-	-
Partnering for Youth Development (MCA)					
<i>Departmental Output Expenses:</i>					
Administering Youth Development (funded by revenue Crown)	0.200	-	-	-	-
Total Multi-Category Expenses and Capital Expenditure: Partnering for Youth Development (MCA)	0.200	-	-	-	-
<b>Total Operating</b>	-	-	-	-	-
<b>Total Capital</b>	-	-	-	-	-

### Additional Recommendations

- 2 **agreed** that the Multi Year Appropriation *Historic Claims Resolution* be adjusted by (\$5.400 million);
- 3 **noted** that the amounts shown in the Appropriation Changes table for the Multi Year Appropriation *Historic Claims Resolution* reflect the change to the indicative annual spending profile;

**Vote:** Social Development

**Appropriation Administrator:** Ministry of Social Development

**Title:** Flexi-Wage Employment Assistance Funding Transfer from Non-Departmental to Departmental Category of Employment MCA

**Description:** Flexi-wage employment assistance expansion is a time-limited wage subsidy programme supporting people in the labour market to obtain or retain employment. No funding was appropriated to cover the operational costs associated with delivering the programme. A transfer is required from the non-departmental category to the departmental category for this initiative in 2024/25 to meet these costs. This change is being progressed as a technical initiative because Cabinet's approval is required to transfer funding into and out of the Flexi-Wage Employment Assistance category of the multi-category appropriation (MCA) [CAB-20-MIN-0493].

### Appropriation Changes

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Operating Balance Impact*	-	-	-	-	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

\* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
<b>Multi-Category Expenses and Capital Expenditure:</b>					
Improved Employment and Social Outcomes Support (MCA)					
<i>Departmental Output Expenses:</i>					
Improving Employment Outcomes (funded by revenue Crown)	-	1.429	-	-	-
<i>Non-Departmental Other Expenses:</i>					
Flexi-Wage Employment Assistance	-	(1.429)	-	-	-
Total Multi-Category Expenses and Capital Expenditure: Improved Employment and Social Outcomes Support (MCA)	-	-	-	-	-
<b>Total Operating</b>	-	-	-	-	-
<b>Total Capital</b>	-	-	-	-	-

**Vote:** Social Development

**Appropriation Administrator:** Ministry of Social Development

**Title:** Regional System Leadership Framework Cross-Agency Support

**Description:** The Regional System Leadership Framework (RSLF) supports the mandate of the System Leader for Regional Public Services and the Regional Public Service Commissioners to deliver greater joined up regional priority planning and aims to embed regional partnerships with iwi, local government and communities for greater wellbeing resilience. A technical adjustment is required to increase funding to MSD in 2024/25 as the central agency for the Regional Public Service model and under a pooled funding approach from other agencies.

### Appropriation Changes

	<b>\$m - increase/(decrease)</b>				
	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28 &amp; Outyears</b>
Operating Balance Impact*	(4.000)	4.000	-	-	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	1.400	-	-	-
<b>Total</b>	<b>(4.000)</b>	<b>5.400</b>	-	-	-

\* Unless non-cash, will also impact net core Crown debt.

	<b>\$m - increase/(decrease)</b>				
	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28 &amp; Outyears</b>
<b>Multi-Category Expenses and Capital Expenditure:</b>					
Community Support Services (MCA)					
<i>Departmental Output Expenses:</i>					
Regional System Leadership Framework (funded by revenue Crown)	(3.000)	-	-	-	-
Regional System Leadership Framework (funded by revenue Crown)	-	4.000	-	-	-
Regional System Leadership Framework (funded by revenue Dept)	-	1.400	-	-	-
<b>Total Multi-Category Expenses and Capital Expenditure: Community Support Services (MCA)</b>	<b>(3.000)</b>	<b>5.400</b>	-	-	-

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Improved Employment and Social Outcomes Support (MCA)					
<i>Departmental Output Expenses:</i>					
Improving Employment Outcomes (funded by revenue Crown)	(1.000)	-	-	-	-
Total Multi-Category Expenses and Capital Expenditure: Improved Employment and Social Outcomes Support (MCA)	(1.000)	-	-	-	-
<b>Total Operating</b>	<b>(4.000)</b>	<b>5.400</b>	-	-	-
<b>Total Capital</b>	-	-	-	-	-

### Additional Recommendation

- 4      **noted** that the Regional System Leadership Framework initiative includes revenue departmental contributions of \$1.400 million from the Ministry of Education and the Ministry of Housing and Urban Development;



**Vote:** Social Development

**Appropriation Administrator:** Ministry of Social Development

**Title:** Shared Approach to Back-Office Transformation

**Description:** This initiative will transfer departmental funding to support the Government Chief Digital Officer's shared approach to Back-Office Transformation. This initiative will provide agencies with a number of benefits, including reduced cost and risk, improved standardisation and interoperability, increased productivity, and enhanced support for agency delivery.

### Appropriation Changes

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Operating Balance Impact*	-	(0.400)	(0.400)	(0.400)	(0.400)
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>(0.400)</b>	<b>(0.400)</b>	<b>(0.400)</b>	<b>(0.400)</b>

\* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
<b>Multi-Category Expenses and Capital Expenditure:</b>					
Improved Employment and Social Outcomes Support (MCA)					
<i>Departmental Output Expenses:</i>					
Administering Income Support (funded by revenue Crown)	-	(0.400)	(0.400)	(0.400)	(0.400)
Total Multi-Category Expenses and Capital Expenditure: Improved Employment and Social Outcomes Support (MCA)	-	(0.400)	(0.400)	(0.400)	(0.400)
<b>Total Operating</b>	-	<b>(0.400)</b>	<b>(0.400)</b>	<b>(0.400)</b>	<b>(0.400)</b>
<b>Total Capital</b>	-	-	-	-	-

### Additional Recommendation

5      **noted** that this initiative relates to Initiative 15913 in Vote Internal Affairs.

**Vote:** Social Development

**Appropriation Administrator:** Ministry of Social Development

**Title:** Support Funds to Provide Costs of Disability Assistance to Disabled People

**Description:** The purpose of Support Funds is to increase the participation of disabled people or people with a health condition in open employment, by assisting them with additional costs incurred as a direct consequence of their disability or health condition, when undertaking the same employment or training as a person without a disability or health condition. This includes specialised equipment, assistive software, New Zealand Sign Language Interpreters, transport and a specialist support person. There are savings in the current financial year which can be utilised to meet an expected increase in demand for this service and operational costs in the outyears. An expense transfer is required to transfer funding from 2023/24 to 2024/25 through to 2026/27.

### Appropriation Changes

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Operating Balance Impact*	(8.220)	2.687	2.739	2.794	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	<b>(8.220)</b>	<b>2.687</b>	<b>2.739</b>	<b>2.794</b>	-

\* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
<b>Non-Departmental Output Expenses:</b>					
Community Participation Services	(9.000)	1.857	1.857	1.858	-
<b>Multi-Category Expenses and Capital Expenditure:</b>					
Community Support Services (MCA)					
<i>Departmental Output Expenses:</i>					
Developing and Managing Community Services (funded by revenue Crown)	0.780	0.830	0.882	0.936	-
Total Multi-Category Expenses and Capital Expenditure: Community Support Services (MCA)	0.780	0.830	0.882	0.936	-
<b>Total Operating</b>	<b>(8.220)</b>	<b>2.687</b>	<b>2.739</b>	<b>2.794</b>	-
<b>Total Capital</b>	-	-	-	-	-

**Vote:** Social Development

**Appropriation Administrator:** Ministry of Social Development

**Title:** Transfer of the Forensic Coordination Service

**Description:** The Forensic Coordination Service (FCS) is a specialist service that provides needs assessment and service coordination for people accessing the High and Complex Framework, which itself provides for the compulsory care and rehabilitation of approximately 200-250 people with an intellectual disability who have committed imprisonable offences. The FCS has transferred to Whaikaha’s direct control, reflected by the reforecasting of funding between categories of the *Supporting Tāngata Whaikaha Māori and Disabled People* appropriation.

### Appropriation Changes

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Operating Balance Impact*	-	-	-	-	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

\* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
<b>Multi-Category Expenses and Capital Expenditure:</b>					
Supporting Tāngata Whaikaha Māori and Disabled People (MCA)					
<i>Departmental Output Expenses:</i>					
Connecting people with supports and communities (funded by revenue Crown)	1.025	3.074	0.513	-	-
<i>Non-Departmental Output Expenses:</i>					
Connecting and strengthening disability communities	(1.025)	(3.074)	(0.513)	-	-
Total Multi-Category Expenses and Capital Expenditure: Supporting Tāngata Whaikaha Māori and Disabled People (MCA)	-	-	-	-	-
<b>Total Operating</b>	-	-	-	-	-
<b>Total Capital</b>	-	-	-	-	-