



# MINISTRY OF SOCIAL DEVELOPMENT

*Te Manatū Whakahiato Ora*



**THE STATISTICAL REPORT**

FOR THE YEAR ENDING JUNE 2011

© 2012 Ministry of Social Development

**Acknowledgments:**

The Ministry of Social Development is grateful for the assistance of staff from all of its service lines in the production of *The Statistical Report*.

**Published by:**

Ministry of Social Development  
Bowen State Building, Bowen Street  
PO Box 1556, Wellington 6140  
New Zealand

Telephone: +64 4 916 3300

Facsimile: +64 4 918 0099

Website: [www.msd.govt.nz](http://www.msd.govt.nz)

ISSN 1176-3388 (print)

ISSN 1178-3206 (online)

# Contents

<b>List of tables .....</b>	<b>iii</b>
<b>List of graphs.....</b>	<b>viii</b>
<b>Introduction to The Statistical Report.....</b>	<b>1</b>
Introduction .....	2
Conventions in this report .....	4
<b>Overall trends in the use of financial assistance .....</b>	<b>9</b>
Numbers receiving assistance .....	10
Administration of financial assistance .....	15
<b>Main benefits .....</b>	<b>21</b>
Introduction .....	22
Payment rates .....	24
Overall trends.....	27
Dependent children .....	33
Benefit recipients declaring other income.....	35
Unemployment Benefits.....	37
Other unemployment-associated benefits.....	44
Domestic Purposes Benefits .....	50
Sickness Benefits.....	61
Invalid's Benefit .....	70
Widow's Benefit.....	77
Emergency Benefit.....	81
<b>Supplementary benefits .....</b>	<b>87</b>
Background .....	88
Payment rates for supplementary benefits.....	89
Accommodation Supplement .....	91
Away from Home Allowance.....	95
Unsupported Child's Benefit and Orphan's Benefit .....	97
Childcare assistance .....	102
Disability Allowance .....	109
Child Disability Allowance.....	113
Training Incentive Allowance.....	117
Temporary Additional Support and Special Benefit .....	120
The ReStart Package.....	125
Residential Care Subsidy and Residential Support Subsidy .....	126
<b>Hardship assistance .....</b>	<b>133</b>
Background .....	134
Costs covered and eligibility criteria .....	135
Use of lump-sum hardship assistance .....	139

<b>Employment services .....</b>	<b>143</b>
Background .....	144
Job Opportunities and Community Max.....	146
Registered jobseekers.....	149
Job Search Service .....	150
Transition to Work assistance.....	152
Course Participation Assistance .....	161
<b>Superannuation and pensions .....</b>	<b>165</b>
Introduction .....	166
War Disablement Pension .....	167
New Zealand Superannuation.....	168
Veterans' Pension.....	173
<b>Child, Youth and Family.....</b>	<b>179</b>
Introduction .....	180
Care and Protection Services .....	181
Youth Justice Services.....	192
<b>Services to students .....</b>	<b>195</b>
Introduction .....	196
Student Allowance.....	197
Student Loan.....	202
Scholarships .....	208
Benefits available to students.....	209
Student Job Search.....	211
Student Allowance Transfer Grant.....	212
<b>Other services .....</b>	<b>215</b>
Community Services Card.....	216
SuperGold Card.....	219
International payments.....	222
Integrity Services .....	231

# List of tables

## Introduction

<b>table DU.1:</b> Key differences between the officially unemployed and recipients of an Unemployment Benefit .....	6
--	---

## Overall trends in the use of financial assistance

<b>table OT.1:</b> Numbers receiving financial assistance .....	11
<b>table OT.2:</b> Historical summary – numbers receiving financial assistance, 1940–2011 .....	13

## Main benefits

### Payment rates

<b>table MP.1:</b> Weekly payment rates for main benefits .....	25
---	----

### Overall trends

<b>table MB.1:</b> Ages of clients receiving a main benefit .....	27
<b>table MB.2:</b> Types of main benefits received by working-age clients .....	28
<b>table MB.3:</b> Periods since clients last received any main benefit .....	29
<b>table MB.4:</b> Types of main benefits granted to working-age clients .....	30
<b>table MB.5:</b> Types of main benefits cancelled .....	31
<b>table MB.6:</b> Transfers within the benefit system by working-age clients .....	32

### Dependent children

<b>table DB.1:</b> Ages of children dependent on recipients of a main benefit .....	34
---	----

### Benefit recipients declaring other income

<b>table OB.1:</b> Levels of other income declared by recipients of a main benefit .....	36
--	----

### Unemployment Benefits

<b>table UB.1:</b> Ages of clients receiving an Unemployment Benefit .....	39
<b>table UB.2:</b> Ages of clients granted an Unemployment Benefit .....	41
<b>table UB.3:</b> Ages of clients cancelling an Unemployment Benefit .....	42
<b>table UB.4:</b> Transfers from Unemployment Benefits by working-age clients .....	43

### Other unemployment-associated benefits

<b>table OU.1:</b> Types of other unemployment-associated benefits received .....	46
<b>table OU.2:</b> Types of other unemployment-associated benefits granted .....	48
<b>table OU.3:</b> Types of other unemployment-associated benefits cancelled .....	49

**Domestic Purposes Benefits**

<b>table DP.1:</b> Types of Domestic Purposes Benefits received .....	54
<b>table DP.2:</b> Ages of youngest children of working-age recipients of a Domestic Purposes Benefit – Sole Parent or an Emergency Maintenance Allowance .....	55
<b>table DP.3:</b> Periods since clients last received any main benefit .....	57
<b>table DP.4:</b> Ages of youngest children of working-age clients granted a Domestic Purposes Benefit – Sole Parent or an Emergency Maintenance Allowance.....	58
<b>table DP.5:</b> Reasons for cancelling a Domestic Purposes Benefit.....	59
<b>table DP.6:</b> Transfers from Domestic Purposes Benefits by working-age clients .....	60

**Sickness Benefits**

<b>table SB.1:</b> Incapacities of clients receiving a Sickness Benefit .....	64
<b>table SB.2:</b> Incapacities of clients granted a Sickness Benefit .....	67
<b>table SB.3:</b> Reasons for cancelling a Sickness Benefit .....	68
<b>table SB.4:</b> Transfers from Sickness Benefits by working-age clients .....	69

**Invalid's Benefit**

<b>table IB.1:</b> Incapacities of clients receiving an Invalid's Benefit.....	72
<b>table IB.2:</b> Incapacities of clients granted an Invalid's Benefit .....	74
<b>table IB.3:</b> Reasons for cancelling an Invalid's Benefit .....	75
<b>table IB.4:</b> Transfers from Invalid's Benefit by working-age clients .....	76

**Widow's Benefit**

<b>table WB.1:</b> Length of current spells receiving a Widow's Benefit .....	78
<b>table WB.2:</b> Periods since clients last received any main benefit .....	79
<b>table WB.3:</b> Reasons for cancelling a Widow's Benefit.....	80

**Emergency Benefit**

<b>table EB.1:</b> Ages of clients receiving an Emergency Benefit.....	82
<b>table EB.2:</b> Ages of clients granted an Emergency Benefit .....	84
<b>table EB.3:</b> Reasons for cancelling an Emergency Benefit.....	85
<b>table EB.4:</b> Transfers from Emergency Benefit by working-age clients .....	86

**Supplementary benefits****Payment rates for supplementary benefits**

<b>table SP.1:</b> Weekly payment rates for selected supplementary benefits.....	90
--	----

**Accommodation Supplement**

<b>table AS.1:</b> Financial assistance paid to Accommodation Supplement recipients.....	92
<b>table AS.2:</b> Financial assistance paid to clients granted an Accommodation Supplement.....	94

**Unsupported Child's Benefit and Orphan's Benefit**

<b>table UO.1:</b> Financial assistance paid to clients receiving an Unsupported Child's Benefit or an Orphan's Benefit .....	98
<b>table UO.2:</b> Ages of children assisted by an Unsupported Child's Benefit or an Orphan's Benefit .....	99
<b>table UO.3:</b> Ages of youngest dependent children with caregivers granted an Unsupported Child's Benefit or an Orphan's Benefit.....	101

## Childcare assistance

<b>table CC.1:</b> Financial assistance paid to caregivers of children assisted by a Childcare Subsidy.....	104
<b>table CC.2:</b> Reasons for granting Childcare Subsidy .....	105
<b>table CC.3:</b> Financial assistance paid to caregivers of children assisted by an OSCAR Subsidy .....	107
<b>table CC.4:</b> Reasons for granting OSCAR Subsidy .....	108

## Disability Allowance

<b>table DA.1:</b> Financial assistance paid to clients assisted by a Disability Allowance, or to their caregivers.....	110
<b>table DA.2:</b> Financial assistance paid to clients covered by a Disability Allowance granted, or paid to their caregivers.....	112

## Child Disability Allowance

<b>table CD.1:</b> Financial assistance paid to caregivers of children assisted by a Child Disability Allowance.....	115
<b>table CD.2:</b> Financial assistance paid to caregivers of children for whom a Child Disability Allowance was granted.....	116

## Training Incentive Allowance

<b>table TI.1:</b> Main benefits received by clients granted a Training Incentive Allowance.....	119
--	-----

## Temporary Additional Support and Special Benefit

<b>table TS.1:</b> Financial assistance paid to clients receiving Temporary Additional Support or a Special Benefit.....	122
<b>table TS.2:</b> Financial assistance paid to clients granted Temporary Additional Support or a Special Benefit.....	124

## Residential Care Subsidy and Residential Support Subsidy

<b>table RS.1:</b> Ages of MSD clients receiving a Residential Care Subsidy.....	128
<b>table RS.2:</b> Ages of MSD clients found to be financially eligible for a Residential Care Subsidy.....	129
<b>table RS.3:</b> Financial assistance paid to MSD clients receiving a Residential Support Subsidy .....	131
<b>table RS.4:</b> Financial assistance paid to MSD clients taking up a Residential Support Subsidy .....	132

## Hardship assistance

<b>table HA.1:</b> Income limits, cash asset limits and maximum payments for Recoverable Assistance Payments .....	136
<b>table HA.2:</b> Maximum Recoverable Assistance Payments for specific purposes .....	137
<b>table HA.3:</b> Types of lump-sum hardship assistance payments made .....	140
<b>table HA.4:</b> Financial assistance paid to clients receiving a Special Needs Grant or benefit advance .....	141
<b>table HA.5:</b> Purposes of Special Needs Grants and benefit advances.....	142

## Employment services

### Transition to Work assistance

<b>table TW.1:</b> Income and asset limits for Transition to Work Grants .....	153
<b>table TW.2:</b> Maximum rates of Seasonal Work Assistance payable .....	157
<b>table TW.3:</b> Types of expenditure met by Transition to Work Grants, Work Start Grants and Pathways Payments provided.....	159
<b>table TW.4:</b> Numbers of New Employment Transition Grants provided.....	160
<b>table TW.5:</b> Numbers of Seasonal Work Assistance payments provided .....	160

## Course Participation Assistance

<b>table CP.1:</b> Income and asset limits for Course Participation Assistance .....	162
<b>table CP.2:</b> Maximum payments of Course Participation Assistance .....	163
<b>table CP.3:</b> Financial assistance paid to clients receiving a payment of Course Participation Assistance .....	164
<b>table CP.4:</b> Reasons for payments of Course Participation Assistance.....	164

## Superannuation and pensions

### New Zealand Superannuation

<b>table NZ.1:</b> Weekly payment rates for New Zealand Superannuation.....	169
<b>table NZ.2:</b> Ages of clients receiving New Zealand Superannuation.....	170
<b>table NZ.3:</b> Periods since clients last received financial assistance.....	172

### Veterans' Pension

<b>table VP.1:</b> Weekly payment rates for Veterans' Pension.....	174
<b>table VP.2:</b> Ages of clients receiving a Veterans' Pension.....	175
<b>table VP.3:</b> Periods since clients last received financial assistance.....	177

## Child, Youth and Family

### Care and Protection Services

<b>table CY.1:</b> Numbers of notifications received and requiring further action.....	183
<b>table CY.2:</b> Ages of children involved in notifications requiring further action .....	184
<b>table CY.3:</b> Substantiated findings by type.....	185
<b>table CY.4:</b> Types of Care and Protection FGCs held.....	187
<b>table CY.5:</b> Ages of children and young people involved in new Care and Protection FGCs .....	188
<b>table CY.6:</b> Ages of children involved in family/whānau agreements signed .....	189
<b>table CY.7:</b> Types of out-of-home placements of children and young people in care.....	191
<b>table CY.8:</b> Ages of children and young people in out-of-home placements.....	191

### Youth Justice Services

<b>table CY.9:</b> Types of Youth Justice FGCs held .....	193
<b>table CY.10:</b> Ages of children and young people involved in new Youth Justice FGCs.....	193

## Services to students

### Student Allowance

<b>table SA.1:</b> Maximum payment rates for Student Allowance.....	199
<b>table SA.2:</b> Types of Student Allowance received.....	200

### Student Loan

<b>table SL.1:</b> Maximum amounts available for a Student Loan, by component.....	202
<b>table SL.2:</b> Numbers of students receiving a Student Loan, by amount.....	204
<b>table SL.3:</b> Types of Student Allowance received by students with a Student Loan .....	205
<b>table SL.4:</b> Types of institutions attended by students with a Student Loan.....	206
<b>table SL.5:</b> Numbers of students accessing each Student Loan component.....	207



**Student Allowance Transfer Grant**

<b>table TG.1:</b> Asset and income limits for Student Allowance Transfer Grant .....	213
<b>table TG.2:</b> Numbers of clients paid a Student Allowance Transfer Grant .....	213

**Other services****Community Services Card**

<b>table CS.1:</b> Categories of clients holding a Community Services Card .....	218
--	-----

**SuperGold Card**

<b>table SG.1:</b> Categories of current SuperGold Card holders .....	221
---	-----

**Integrity Services**

<b>table IS.1:</b> Fraud and abuse investigations and reviews completed, and overpayments identified .....	233
<b>table IS.2:</b> Fraud prosecutions completed .....	233
<b>table IS.3:</b> Data-matching cases completed, and overpayments identified .....	234
<b>table IS.4:</b> Recoverable assistance loans established and recovered .....	236
<b>table IS.5:</b> Overpayments established and recovered .....	237
<b>table IS.6:</b> Other balances owed and recovered .....	238
<b>table IS.7:</b> Number of clients with balances owed, by category .....	239

# List of graphs

## Other services

### Integrity Services

**figure IS.1:** Composition of balances owed to the Crown at 30 June 2011 .....240

# **Introduction to *The Statistical Report***

# Introduction

## Information in the report

This report:

- provides a range of information about the use of the services and financial assistance provided by the Ministry of Social Development (MSD)
- focuses on the period 1 July 2006 to 30 June 2011.

Within this report, information is also placed into a broader population context.

Some of the statistics presented in this report are available for earlier years, on request from MSD. Contact the Ministry at [info@msd.govt.nz](mailto:info@msd.govt.nz), or at PO Box 1556, Wellington 6140, New Zealand.

We anticipate the information in the report will be of value to anyone working in the social services sector, in either a policy, research or service delivery capacity, and will also be of wider general interest.

MSD is grateful for the assistance of staff from all of its service lines in the production of *The Statistical Report*.

## Report structure

*The Statistical Report* has been reorganised to reflect the different types of service provided by MSD.

The eight sections are organised around the types of service provided:

1. Main benefits – information about eligibility for and use of main benefits, such as Unemployment Benefits and Invalid's Benefit.
2. Supplementary benefits – information about eligibility for and use of supplementary assistance, such as Accommodation Supplement and Childcare Subsidy.
3. Hardship assistance – information about eligibility for and use of other assistance available for people in hardship, such as benefit advances and Special Needs Grants.
4. Employment services – information about eligibility for and use of employment services provided by Work and Income.
5. Superannuation and pensions – information about eligibility for and use of New Zealand Superannuation and Veterans' Pension.
6. Child, Youth and Family services – information about services provided by Child, Youth and Family and about the use of those services.
7. Services to students – information about eligibility for and use of services to students provided by StudyLink and by Work and Income.
8. Other services – information about other services to the public and to the Government provided by MSD, such as Community Services Cards and payment of pensions and benefits overseas.

To help you to find the information you need quickly, an alphabetical subject list is available as part of the online version of the report. This list will allow you to click through to the information you want.

## Key changes to the report

This edition of the report leaves out the expenditure information included in previous reports.

For official expenditure information, see MSD's *Annual Report for the year ended June 2011*. This is available on MSD's website at [www.msd.govt.nz/about-msd-and-our-work/publications-resources/corporate/annual-report/2010-11/index.html](http://www.msd.govt.nz/about-msd-and-our-work/publications-resources/corporate/annual-report/2010-11/index.html).

Note that expenditure information included in *The Statistical Report* for previous years was not consistent with official expenditure. For more information, see *The Statistical Report for the year ending June 2010*.

# Conventions in this report

## Terms and definitions

### Working age

Information concerning the use of main benefits is focused on working-age clients. The total number of clients in all age groups is also shown.

This report defines 'working-age' clients as aged 18–64 years. This reflects the minimum age of eligibility for most main benefits and the age of qualification for New Zealand Superannuation.

Clients whose ages are not specified are included under 'other' clients (ie those who are not identified as of working age).

### Naming of assistance

'Main benefits' is used to refer to the group of benefits known as 'income-tested benefits' before 2007.

Throughout this report, financial assistance is referred to:

- by its official name at the end of June 2011 (eg Domestic Purposes Benefit – Sole Parent), or
- as part of a group of main benefits delivered for similar purposes (eg Domestic Purposes Benefits).

### Data sources

The report refers to SWIFTT and SOLO as data sources. These are databases supporting Work and Income's delivery of services to clients.

SWIFTT is used to record information about recipients of financial assistance and the assistance they receive. Comprehensive records of information entered from 1996 onward are stored in SWIFTT.

SOLO is used to record information about registered jobseekers and about employment services being provided. Comprehensive records of information entered from 1999 onward are stored in SOLO.

MSD also holds some information for earlier years concerning financial services, employment services and registered job seekers.

### Civil unions

Clients in a civil union are treated in the same way as clients who are married or living as married. In this report, 'married clients' includes clients in a civil union.

### Treatment of age-related payments to older people

New Zealand Superannuation is not a pension. At times this report refers to New Zealand Superannuation and Veterans' Pension together as 'pensions'. This is done to help the flow of the text.

## **Integrity Services**

These comprise the services which ensure the integrity of the benefit system. They include services to identify and investigate benefit fraud and abuse, and services to manage the debts MSD's clients owe to the Crown. Clients may owe money to the Crown because they received recoverable hardship assistance, or because of benefit overpayment or benefit fraud.

## **Financial assistance**

This refers to main benefits, Veterans' Pension and New Zealand Superannuation. It excludes supplementary benefits and hardship assistance, as these are also available to working families.

## **Dependent children**

These are children aged under 18 years (or aged 18 years if in study or training) who are dependent on the client. For most main benefits, the level of work test applied reflects at least in part the age of the youngest child dependent on the client.

## **Official unemployment**

The officially unemployed are people aged 15 years or over who:

- are without any paid work and are without unpaid work in a relative's business
- have actively sought work in the previous four weeks
- are available to take up work.

To have actively sought work, these people must have done more than check newspaper advertisements.

The number of officially unemployed is measured by the Household Labour Force Survey (HLFS). The HLFS is conducted quarterly by Statistics New Zealand.

## The officially unemployed are not necessarily receiving an Unemployment Benefit

Table DU.1 outlines key differences between the officially unemployed and clients receiving an Unemployment Benefit.

**table DU.1: Key differences between the officially unemployed and recipients of an Unemployment Benefit**

Characteristic	Officially unemployed	Unemployment Benefit recipients
Age	15 years or over	18–64 years (modest exceptions for some parents aged 16–17 years)
Residency	'Normally resident'	Has continuously lived in New Zealand for two years since becoming a citizen or permanent resident
Full-time or part-time work sought	Seeking to work one hour or more a week	Seeking full-time employment
Current work status	Less than one hour a week for pay or profit in the previous fortnight, and have had no unpaid work in a relative's business	May work part-time subject to relevant income tests
Income	Not relevant	Ineligible if income is in excess of the cut-off for Unemployment Benefit
Partner's employment status	Not relevant	Makes some ineligible through excess income
In tertiary study	Can count as unemployed	Generally ineligible for Unemployment Benefit, although other assistance may be available
Efforts to find work	Must have actively sought work (done more than checking newspaper advertisements) within the previous four weeks	Complies with work test and any other administrative requirements of Work and Income
Availability for work	Must be available for work within the next four weeks	May be unavailable for work for short periods without losing eligibility
Wanting income assistance from Work and Income	Not relevant	Must want and apply for an Unemployment Benefit, as well as meet eligibility criteria



## Aggregations used

### Period covered by the report

The report focuses on the period from 1 July 2006 to 30 June 2011. The descriptions of trends summarise changes during that period. These descriptions are not a complete record of historical trends.

### Data provided

Trends in the use of MSD assistance are shown as the number receiving assistance at the end of June each year. This allows the actual number receiving assistance to be shown as well as broad trends.

This report gives no information about the number receiving assistance at other times of the year. The number receiving assistance at the end of June may exclude a large number of people who:

- are granted assistance after the end of June in one year
- stop receiving assistance before the following June.

### Clients included in statistics

The report focuses on the people with whom MSD works directly. Statistics do not necessarily include others in their households who are receiving support less directly.

Data on the use of:

- main benefits excludes:
  - spouses and partners of people receiving a benefit
  - other dependants (children etc) of people receiving a benefit
- New Zealand Superannuation and pensions:
  - includes non-qualified spouses receiving New Zealand Superannuation or a pension
  - excludes any other dependants of the clients
- work services excludes:
  - recipients of a main benefit who are being case-managed towards employment but who have not yet received specific work services
  - vacation workers
  - people already working full-time, but who are seeking help to change jobs or to keep the jobs they have and who have not yet received specific work services.



## **Overall trends in the use of financial assistance**

# Numbers receiving assistance

## Summary

### **Numbers receiving financial assistance decreased slightly between July 2010 and June 2011**

The numbers receiving main benefits and the numbers receiving one or more supplementary benefits both decreased between 2010 and 2011 (see table OT.1).

This reflected both the slow improvement in economic conditions and an ongoing emphasis of Work and Income on:

- supporting clients to get and stay in paid work without requiring benefit assistance
- ensuring carers were receiving the assistance to which they were entitled.

### **Policy changes during 2010/2011 affected clients receiving many benefits**

In September 2010, Work and Income implemented a range of policy changes (collectively referred to as Future Focus). Changes included:

- requiring recipients of a Domestic Purposes Benefit – Sole Parent whose youngest child is aged 6 years or over to meet work obligations
- increasing the amount of income recipients of Domestic Purposes Benefits, Widow's Benefit and Invalid's Benefit can earn before their benefit is abated
- requiring clients receiving an Unemployment Benefit to reapply for their benefit every 12 months. This process:
  - includes completing a Comprehensive Work Assessment
  - assesses the client's skills and needs, and their entitlement to an Unemployment Benefit.

From May 2011, clients receiving a Sickness Benefit were required to complete a reassessment for their benefit every 12 months. This process:

- includes an interview to review their circumstances, including their medical history, and their eligibility for a Sickness Benefit
- ensures the information on the client's incapacity, needs and skills remains up to date, and assesses the client's entitlement to a Sickness Benefit.

More detailed information about Future Focus initiatives concerning particular benefits, and about the impact of these initiatives on the use of those benefits, is given in the relevant sections of this report.

## The number receiving a pension or New Zealand Superannuation increased

The increase between 2007 and 2011 in numbers receiving a pension or New Zealand Superannuation (see table OT.1) reflected the impacts of the ageing of the New Zealand population. Population ageing was also reflected in New Zealand Superannuation grants exceeding cessations of New Zealand Superannuation.

**table OT.1: Numbers receiving financial assistance**

Client group and assistance received at the end of June	Clients receiving financial assistance from Work and Income <sup>1</sup>				
	2007	2008	2009	2010	2011
All recipients of a main benefit <sup>2</sup>	271,569	268,972	321,694	344,332	338,544
Working-age recipients of a main benefit <sup>2</sup>	261,009	258,317	310,296	332,924	327,817
Recipients of New Zealand Superannuation or a pension <sup>3,4</sup>	512,782	525,012	541,774	561,053	581,292
Recipients of one or more supplementary benefits, Temporary Additional Support or a Special Benefit <sup>5,6</sup>	463,027	466,645	520,807	548,824	537,238

### Notes

1. The number of clients recorded in SWIFTT or SOLO as receiving assistance from Work and Income at the end of June.
2. All counts of recipients of a main benefit in this report exclude spouses, partners and children of people receiving a main benefit.
3. All counts in this report of recipients of New Zealand Superannuation and pensions include qualified recipients and non-qualified spouses, but exclude other dependants.
4. All counts in this report of recipients of New Zealand Superannuation and pensions exclude recipients of a War Disablement Pension. This is to avoid double-counting people receiving both a War Disablement Pension and another benefit or pension.
5. Includes some clients receiving one or more supplementary benefits as well as Temporary Additional Support or a Special Benefit. Also includes some clients receiving only an Unsupported Child's Benefit or an Orphan's Benefit.
6. These clients may have been receiving a pension or a main benefit, or may have had a low income from paid employment or from some other source.

## Proportions of the population receiving financial assistance

### Working-age people are slightly less likely to be receiving main benefits

Between 2010 and 2011, the proportion of working-age people receiving main benefits decreased slightly (from 12.3% to 12.0%). This followed an increase (from 9.8% to 12.3%) between 2008 and 2010.

This slight decrease reflected both the slow improvement in economic conditions and an ongoing emphasis of Work and Income on:

- supporting clients to get and stay in paid work without requiring benefit assistance
- ensuring carers were receiving the assistance to which they were entitled.

### **People aged 18 years or over are slightly less likely to be receiving supplementary benefits**

Between 2010 and 2011, the proportion of people aged 18 years or over who were receiving one or more supplementary benefits decreased slightly (from 16.6% to 16.1%). This followed an increase (from 14.6% to 16.6%) between 2008 and 2010.

This slight decrease reflected both the slow improvement in economic conditions and an ongoing emphasis of Work and Income on:

- supporting clients to get and stay in paid work without requiring benefit assistance
- ensuring carers were receiving the assistance to which they were entitled.

### **Virtually all of those aged 65 years or over are receiving a pension**

Between 2007 and 2011, between 95% and 97% of those aged 65 years or over were receiving New Zealand Superannuation or a Veterans' Pension.

## Use of financial assistance since 1940

Table OT.2 shows trends since 1940 in the numbers of clients receiving financial assistance.

**table OT.2: Historical summary – numbers receiving financial assistance, 1940–2011<sup>1,2</sup>**

Year <sup>3</sup>	Unemployment Benefits, other unemployment-associated benefits and Emergency Benefit <sup>4</sup>	Independent Youth Benefit <sup>5</sup>	Sickness Benefits <sup>6</sup>	Invalid's Benefit	Miner's Benefit	Domestic Purposes Benefits <sup>7</sup>	Widow's Benefit	Unsupported Child's Benefit and Orphan's Benefit <sup>8</sup>	Family Benefit <sup>9</sup>	Transitional Retirement Benefit <sup>10</sup>	NZ Super-annuation <sup>11</sup>	Veterans' Pension <sup>12</sup>
1940	4,053		2,565	11,811	988		10,174	330	11,053		93,262	
1945	198		4,233	12,205	783		10,965	421	24,251		158,332	
1950	12		4,931	9,476	636		14,198	366	254,920 <sup>9</sup>		186,512	
1955	19		4,277	8,110	481		12,197	300	298,370		199,236	
1960	312		4,064	8,024	353		13,049	277	343,193		204,036	
1965	208		4,681	7,951	184		14,529	316	376,824		214,659	
1970	983		5,876	8,342	98		15,663	315	408,397		241,772	
1975	2,894		7,830	9,414	45	17,231	16,738	376	452,389		289,348	
1980	20,850		7,504	15,647	21	37,040	16,120	413	460,897		405,834	
1985	38,419		9,627	21,464	11	56,548	13,557	365	455,961		459,813	
1990	149,078		19,511	27,824	6	94,823	12,676	5,239	446,373		495,500	3,428
1991	158,204	2,538	20,147	30,746	3	97,000	10,989	2,931			506,047	3,130
1992	174,542	3,682	24,093	31,831	1	96,722	9,873	3,135			504,561	5,393
1993	176,872	4,364	28,729	34,957		96,335	10,259	3,539			488,893	6,117
1994	166,703	3,313	31,535	37,030		100,256	9,012	4,093		6,540	477,400	6,278
1995	148,161	2,891	34,037	39,686		104,027	9,007	4,280		7,327	469,239	6,380
1996	142,539	3,020	33,332	42,423		108,790	9,043	4,655		7,832	481,565	6,687
1997	149,058	2,755	34,194	46,160		112,283	9,132	4,833		7,953	474,451	7,176
1998	158,412	2,867	35,291	49,468		113,329	9,372	5,078		8,151	469,307	7,277
1999	165,722	3,481	33,022	51,173		109,516	9,178	5,383		8,743	461,137	7,334
2000	155,594	3,566	32,294	55,392		108,939	9,104	5,799		8,856	453,401	7,248
2001	141,214	3,635	33,620	59,812		107,821	8,900	6,075		9,012	446,706	7,425
2002	126,934	2,998	36,380	64,529		108,009	8,774	6,332		5,118	450,435	7,587
2003	113,495	2,702	39,902	68,507		109,295	8,659	6,789		2,110	457,278	7,872
2004	83,425	2,287	44,128	72,342		109,526	8,413	7,051			464,624	8,465
2005	64,811	2,011	45,646	74,796		106,330	7,795	7,279			475,215	8,871
2006	55,448	1,676	47,559	77,046		102,331	7,181	7,502			488,825	9,472
2007	39,029	1,294	48,587	79,077		97,111	6,471	7,587			502,717	10,065
2008	32,683	1,242	46,710	85,197		97,157	5,983	7,773			514,276	10,736
2009	66,678	1,750	54,892	87,158		105,182	6,034	8,034			530,758	11,016
2010	76,450	1,711	59,216	88,413		112,383	6,159	8,586			550,520	10,533
2011	70,090	1,191	58,895	88,134		114,039	6,195	8,465			571,239	10,053

## Notes

1. An historical summary of the number of people receiving New Zealand Superannuation, a pension or a main benefit before 1940 is included in the 1990 New Zealand Official Yearbook, p 210. Since 1975, the number of people receiving an Emergency Benefit or a benefit granted because of hardship has been included in the number receiving a pension or main benefit in the group concerned.
2. All figures given, apart from those for New Zealand Superannuation and Veterans' Pension, exclude spouses and partners who receive a share of the main benefits paid to their spouses or partners. Figures for New Zealand Superannuation and Veterans' Pension include non-qualified spouses from 1996.
3. Before 1990, the year ended 31 March; from 1990 onwards, the year ended 30 June.
4. Excludes people receiving an Independent Youth Benefit. Includes Unemployment Benefit, Unemployment Benefit – Hardship, Unemployment Benefit – Training, Unemployment Benefit – Hardship – Training, Unemployment Benefit – Student – Hardship and Emergency Benefit. Includes persons aged 55 years or over receiving an Unemployment Benefit. Includes Emergency Unemployment Benefit from 1991 to 1998 and Job Search Allowance from 1991 to 1995. From 1998 includes Young Job Seeker's Allowance and Emergency Benefit. From 1 July 2001 includes Unemployment Benefit – Student – Hardship. From 1 October 1998 until 30 June 2001 the main benefit in this group was known as a Community Wage – Job Seeker, and since 1 July 2001 it has been known as Unemployment Benefit.
5. Includes Job Search Allowance from 1996 to 1998.
6. Includes Sickness Benefit and Sickness Benefit – Hardship.
7. Includes Domestic Purposes Benefit – Sole Parent, Domestic Purposes Benefit – Care of Sick or Infirm, Domestic Purposes Benefit – Women Alone, and Emergency Maintenance Allowance.
8. Recipients of an Unsupported Child's Benefit or an Orphan's Benefit may or may not also be receiving New Zealand Superannuation, a pension or a main benefit. Unsupported Child's Benefit and Orphan's Benefit are not income-replacement main benefits.
9. Family Benefit was paid without a means test from 1 April 1946 and was abolished from 1 April 1991. Ongoing problems with data and programs used to extract the statistics relating to Family Benefit have meant that these statistics are of uncertain accuracy.
10. Transitional Retirement Benefit was introduced on 1 April 1994, and its phasing out was completed on 1 April 2004.
11. Up to 1975, superannuation and age-related pensions were combined. From 1976 superannuation and aggregated pensions were replaced by National Superannuation. For the period 1 April 1990 to 31 March 1992, this pension was called Guaranteed Retirement Income. Between 1 April 1992 and 31 March 1994, it was known as National Superannuation, and since 1 April 1994 it has been known as New Zealand Superannuation. The age of eligibility was raised to 61 years on 1 April 1992, and was raised progressively to reach 65 years on 1 April 2001. This table excludes non-qualified spouses before 1996, but includes them for 1996 and for later years.
12. From 1996, includes non-qualified spouses receiving a Veterans' Pension, but excludes all clients receiving a War Pension. Since 1 July 1999, Veterans' Pension and War Pension have been funded from Vote: Veterans' Affairs – Social Development.



# Administration of financial assistance

## Impact of other income received

### How does income received affect receipt of a benefit?

To receive a benefit, a client's income from other sources must be below a prescribed level. This level depends on:

- the type of benefit applied for
- the circumstances of the client.

To determine when the client will begin receiving a benefit, Work and Income assesses the client's income in the six months before they apply for a main benefit.

In addition, clients subject to an income test have their income from other sources monitored. Payments of income-tested assistance are reduced ('abated') when income from other sources exceeds a certain level.

### Who is income tested?

A client is subject to an income test if they are:

- receiving a main benefit<sup>1</sup>
- receiving a supplementary benefit other than an Unsupported Child's Benefit, an Orphan's Benefit or a Child Disability Allowance
- a non-qualified spouse included in New Zealand Superannuation or a Veterans' Pension, or
- aged under 65 years and receiving a Veterans' Pension.

Unsupported Child's Benefit and Orphan's Benefit are tested on the incomes (other than personal earnings) of the children for whom these benefits are paid.

### How is other income monitored for benefit recipients?

Clients are required to declare other income received while they are in receipt of a main benefit. Receipt of other income over a certain level (in recent years set at \$80 a week before tax for most benefits) leads to abatement (a reduction) of the main benefit received.

### What counts as income for income testing?

Income is defined in section 3 of the Social Security Act 1964 as any money received (before income tax) that is not a one-off capital payment. It includes, for example:

- wages, salary, commission and parental leave payments
- the value of any interest (before income tax) acquired that is not a one-off capital payment.

---

1. The personal earnings of totally blind Invalid's Benefit recipients are not income tested.

Whether or not money received is taxed is irrelevant to identifying it as income. Income can also refer to a value in money's worth rather than money itself. For example, where another person is meeting expenses such as rent for the client, this can be considered as income. The value of free board or free rent is also considered as income.

## **How does Work and Income deal with beneficiaries who have other incomes?**

When a client's New Zealand Superannuation, pension or benefit is not income tested, they may receive other income without their New Zealand Superannuation, pension or benefit being affected.

Clients receiving a main benefit that is income tested are allowed to receive some income in addition to their benefit. Additional income received must be declared to Work and Income.

There are two ways Work and Income treats additional income received by beneficiaries subject to an income test. These are:

- allowing clients to receive income to a certain level without affecting their benefit (this level depends on the benefit received)
- reducing the clients' benefit at a fixed rate for each dollar of income above that level (for each dollar earned above that amount, a client's benefit is reduced ('abated') by a smaller amount).

## **How much additional income can beneficiaries receive before their benefit is affected?**

Since September 2010, clients receiving an Invalid's Benefit, a Widow's Benefit or a Domestic Purposes Benefit have been able to receive up to \$100 a week (before tax) in other income before their benefit payments are affected. Clients receiving an Unemployment Benefit, other unemployment-associated benefits or a Sickness Benefit can receive up to \$80 a week (before tax).

Special conditions apply for people receiving an Invalid's Benefit because of blindness. People with a severe disability can have some or all of their personal earnings exempted from an income test.

## **How does income above this amount affect benefits?**

For each dollar of income above these amounts:

- Domestic Purposes Benefits, Widow's Benefit and Invalid's Benefit are reduced by:
  - 30c for income between \$100 and \$200 a week (before tax)
  - 70c for income above \$200 a week (before tax)
- Unemployment Benefits, other unemployment-associated benefits and Sickness Benefits are reduced by 70c for any income over \$80 a week (before tax).

The lower abatement rate for Domestic Purposes Benefits, Widow's Benefit and Invalid's Benefit gives recipients of these benefits an incentive to take up part-time employment. It recognises these clients may have less opportunity to take up full-time employment (eg because of caring responsibilities or health issues).

## How often does Work and Income assess a client's income?

The assessment period for the income test is:

- annually for Domestic Purposes Benefits, Widow's Benefit, Invalid's Benefit, New Zealand Superannuation and Veterans' Pension
- weekly for all other main benefits and for all supplementary benefits.

The main benefits for which income is assessed weekly are:

- Unemployment Benefits and other unemployment-associated benefits
- Sickness Benefits
- Emergency Benefit.

Clients receiving a benefit for which income is assessed annually can choose to have a weekly income assessment instead.

## Are New Zealand Superannuation and pensions income tested in the same way?

People aged 65 years or over and receiving New Zealand Superannuation or a Veterans' Pension are only income tested if a non-qualified spouse is included in their payment.

All Veterans' Pension recipients aged under 65 years are subject to an income test.

## What about supplementary benefits?

Some supplementary benefits (eg Accommodation Supplement) are reduced when people receive other income. This can occur even if clients are receiving New Zealand Superannuation, a pension or a main benefit that is not income tested.

From 1 October 2004, people receiving both a main benefit and an Accommodation Supplement have not had their Accommodation Supplement reduced owing to the receipt of other income. If these clients continue receiving an Accommodation Supplement after entering paid work, they are liable to have their Accommodation Supplement reduced according to the amount of income they are receiving.

# Work testing

## Introduction

Work-tested clients are required to:

- be available for, and take reasonable steps to obtain, suitable paid work
- accept any offer of suitable employment.

Details of the work testing currently applied to each benefit are outlined in the relevant sections.

Depending on their circumstances, a client receiving a work-tested benefit may be subject to:

- a full-time work test (seeking full-time work)
- a part-time work test (seeking part-time work), or
- a requirement to meet a Work and Income case manager to plan their entry into paid work.

## **How do clients fulfil the work test?**

Clients may be required to register as jobseekers if:

- they have no dependent children, or
- their dependent children are all aged 6 years or over.

Any work or training being undertaken may be counted towards fulfilling a client's obligations under the work test. This is regardless of whether the work or training began before or after the client became subject to a work test.

Other activities such as training, work experience, attending job interviews or planning for employment may be required on a case-by-case basis.

Between July 2001 and September 2010, all work-tested clients were required to enter into Job Seeker Agreements with Work and Income. The Job Seeker Agreement set out the assistance Work and Income would provide to help the jobseeker to obtain employment, and the steps the jobseeker would take to find employment or to improve their prospects for doing so. The Job Seeker Agreement had to specify job search activities, and may have included employment or training programmes to be undertaken by the jobseeker (eg a period of work experience or employment-related training).

## **Can clients be exempted from the work test when they are temporarily unavailable for work?**

Clients may be exempted from the work test on a range of grounds, including health issues and caring responsibilities.

# **Employment Plans**

## **Introduction to employment plans**

From September 2010, clients who are not full-time or part-time work tested are obliged to meet employment planning obligations if required to by their case manager.

Meeting employment planning obligations involves:

- attending interviews with Work and Income
- developing and signing an Employment Plan
- taking part in regular reviews of their Employment Plan
- demonstrating a commitment to the goals included in their Employment Plan.

## What is included in an Employment Plan?

Employment Plans are required to include:

- the activities the client will undertake to help them reach their goal of employment
- the activities Work and Income will undertake to help the client reach their goal of employment
- information regarding the client's obligations, and their right to review their plan
- sanctions for not meeting their employment planning obligations.

## How does the planning process work?

The employment planning process involves the development and implementation of a plan for the individual client. The planning process involves:

- assessing the client's circumstances, strengths and needs
- developing and implementing a plan based on that assessment
- the client agreeing to and signing a written copy of the plan.

The assessment of the client's circumstances, strengths and needs aims to identify:

- any features of individual circumstances that affect (positively or negatively) the client's ability to get or stay in employment
- any practical assistance the client needs to support themselves through employment
- the client's skills and experience (including those developed through unpaid work) relevant to helping them find the most effective path toward employment.

The plan is developed in discussion between the client and the case manager. Once the client has signed it, the plan forms part of the case management approach for that client.

## The Personal Development and Employment Plan

Between March 2003 and September 2010, clients receiving a Widow's Benefit or some Domestic Purposes Benefits were obliged to meet the requirements of the Personal Development and Employment Plan process if required to by their case manager.

Between September 2007 and September 2010, clients receiving Sickness Benefits or an Invalid's Benefit were also required to meet the requirements of the Personal Development and Employment Plan process if required to by their case manager.

For details about the Personal Development and Employment Plan, see *The Statistical Report for the year ending June 2010*.

## Work testing before September 2007

Work test obligations for a number of benefits were changed in September 2007. For information on work testing before September 2007, see *The Statistical Report for the year ending June 2010*.



## **Main benefits**

# Introduction

## Definition of main benefits

The main benefits are:

- Unemployment Benefits, comprising Unemployment Benefit and Unemployment Benefit – Hardship
- other unemployment-associated benefits, comprising Unemployment Benefit – Training, Unemployment Benefit – Hardship – Training, Unemployment Benefit – Student Hardship and Independent Youth Benefit
- Domestic Purposes Benefits, comprising Domestic Purposes Benefit – Sole Parent, Domestic Purposes Benefit – Care of Sick or Infirm, Domestic Purposes Benefit – Women Alone and Emergency Maintenance Allowance
- Sickness Benefits, comprising Sickness Benefit and Sickness Benefit – Hardship
- Invalid's Benefit
- Widow's Benefit
- Emergency Benefit.

## Eligibility for main benefits

To be eligible to receive a main benefit, clients must:

- meet any relevant tests of assets, income and residency
- meet the eligibility criteria for that benefit
- if required, fulfil:
  - any relevant pre-benefit obligations
  - any relevant work or planning obligations.

## Eligibility criteria

The information on eligibility for particular main benefits is included with the information for each one.



## **Note – statistics concerning Independent Youth Benefit**

Very few working-age people (aged 18–64 years) are eligible for Independent Youth Benefit, which is normally restricted to 16–17 year olds. Working-age recipients of this benefit must be aged 18 years, have been receiving this benefit when they turned 18 years of age, and be attending secondary school. These clients may only receive this benefit until the end of the school year in which they turn 18 years of age.

This means data for working-age clients includes:

- only a small proportion of those receiving an Independent Youth Benefit
- none of those granted an Independent Youth Benefit
- only a small proportion of those cancelling an Independent Youth Benefit.

# Payment rates

## How benefit payment rates are set

The standard weekly rates of the main benefits are increased yearly on 1 April. This increase reflects changes in the Consumers Price Index (CPI) in the previous year.

## Payment rates since April 2011

Table MP.1 shows the rates for the main benefits current from 1 April 2011. In this table:

- the rates shown are maximum rates
- the rates shown as 'married, each' are paid to each member of a couple who are married, living as married or in a civil union.

Actual rates paid may be reduced from the maximum if the client receives income from other sources.

**table MP.1: Weekly payment rates for main benefits (payable from 1 April 2011)**

Main benefit	Status <sup>1</sup>	Weekly payment rate <sup>2,3</sup>	
		Number of children	
		None	One or more
Unemployment Benefits	Married, each	\$167.83	\$167.83
	Single 25+	\$201.40	
	Single 18–24	\$167.83	
	Single 18–19 (living at home)	\$134.26	
	Sole parent		\$288.47
Independent Youth Benefit		\$167.83	
Sickness Benefits	Married, each	\$167.83	\$167.83
	Single 25+	\$201.40	
	Single 18–24	\$167.83	
	Single 18–19 (living at home)	\$134.26	
	Sole parent		\$288.47
Invalid's Benefit	Married, each	\$209.78	\$209.78
	Single 18+	\$251.73	
	Single 16–17	\$203.71	
	Sole parent		\$330.70
Domestic Purposes Benefits	Sole Parent		\$288.47
	Women Alone	\$209.78	
Domestic Purposes Benefit – Care of Sick or Infirm <sup>4</sup>	Single 18+	\$251.73	
	Single 16–17	\$203.71	
	Sole parent		\$330.70
	Married, each	\$209.78	\$209.78
Emergency Maintenance Allowance	Age 16–17 (living at home)	\$134.26	\$134.26
	Age 16–17 (away from home)		\$288.47
	18 or over		\$288.47
Widow's Benefit		\$209.78	\$288.47

#### Notes

1. 'Married' includes people who are married, living as married or in a civil union.
2. The rates shown are the net amounts set by regulations and apply from 1 April 2011. Tax at the 'M' rate is calculated retrospectively and paid to Inland Revenue.
3. The rates shown exclude Working for Families Tax Credits. Benefit recipients with dependent children qualify for these tax credits, which are funded by Inland Revenue. See table SP.1 in 'Supplementary benefits' for the rates of these tax credits. From 1 April 2005, the child component of main benefits (ie the additional payment for children) was removed from main benefits and included in Working for Families Tax Credits. This change was part of the Working for Families package.
4. Only the caregiver receives payment.

# Overall trends

## Numbers receiving main benefits

### The number receiving a main benefit decreased between July 2010 and June 2011

This decrease (see table MB.1) reflected a combination of:

- the slow improvement in economic conditions
- an ongoing emphasis by Work and Income on moving as many clients into work as possible.

### Most recipients of a main benefit were aged 25–59 years

Between 2007 and 2011 (see table MB.1), between 39% and 41% of working-age clients receiving a main benefit were aged 40–59 years. Between 32% and 34% of these clients were aged 25–39 years.

**table MB.1: Ages of clients receiving a main benefit**

Age of client at the end of June	2007	2008	2009	2010	2011
	<b>Working-age clients receiving a main benefit<sup>1</sup></b>				
18–24 years	37,926	38,985	57,346	61,690	58,880
25–39 years	88,958	85,933	101,361	107,525	103,647
40–49 years	58,011	57,938	67,269	72,491	71,817
50–59 years	47,561	47,185	54,193	59,354	60,903
60–64 years	28,553	28,276	30,127	31,864	32,570
<b>Total working-age clients</b>	<b>261,009</b>	<b>258,317</b>	<b>310,296</b>	<b>332,924</b>	<b>327,817</b>
<b>Other clients receiving a main benefit<sup>1</sup></b>					
<b>Total other clients</b>	10,560	10,655	11,398	11,408	10,727
<b>All clients receiving a main benefit<sup>1</sup></b>					
<b>Total</b>	<b>271,569</b>	<b>268,972</b>	<b>321,694</b>	<b>344,332</b>	<b>338,544</b>

Note

1. The number of clients recorded in SWIFTT as receiving a main benefit at the end of June.

## In 2010 and 2011, three in five benefit recipients were receiving a Domestic Purposes Benefit or an Invalid's Benefit

In 2010 and 2011, around 34% of main benefit recipients were receiving a Domestic Purposes Benefit (see table MB.2). Over the same period, around 26% were receiving an Invalid's Benefit and between 17% and 19% were receiving an Unemployment Benefit.

A small reduction between 2010 and 2011 in the number of working-age clients receiving a main benefit was driven by the decreased use of Unemployment Benefits.

Unemployment Benefits formed the largest part of the decrease in main benefit numbers between 2010 and 2011 (see table MB.2). The number receiving Sickness Benefits or an Invalid's Benefit decreased more slowly than the number receiving Unemployment Benefits. The number receiving Domestic Purposes Benefits increased.

**table MB.2: Types of main benefits received by working-age clients**

Type of main benefit received at the end of June	Working-age clients receiving a main benefit <sup>1</sup>				
	2007	2008	2009	2010	2011
Unemployment Benefits	23,159	17,710	50,855	62,085	56,264
Domestic Purposes Benefits	96,467	96,440	104,400	111,689	113,429
Sickness Benefits	48,063	46,271	54,352	58,465	58,009
Invalid's Benefit	77,301	82,879	84,544	85,382	84,836
Other main benefits <sup>2</sup>	16,019	15,017	16,145	15,303	15,279
<b>Total</b>	<b>261,009</b>	<b>258,317</b>	<b>310,296</b>	<b>332,924</b>	<b>327,817</b>

### Notes

1. The number of working-age clients recorded in SWIFTT as receiving a main benefit at the end of June.
2. Comprises Unemployment Benefit – Training, Unemployment Benefit – Hardship – Training, Unemployment Benefit – Student Hardship, Independent Youth Benefit, Widow's Benefit and Emergency Benefit.

## Clients were less likely to have received their benefit for less than one year

Between 2009 and 2011, the proportion of working-age main benefit recipients who had received their benefit for less than one year decreased from 40% to 34%. Over the same period, the proportion receiving their benefit for over two years increased slightly, from 46% to 50%. Both changes resulted from a combination of:

- a reduction between 2009/2010 and 2010/2011 in the number of clients granted a main benefit
- an increase over the same period in the number of clients cancelling a main benefit.

## Over two-fifths of working-age beneficiaries were New Zealand European and around one-third were Māori

During this period, 44% of working-age main benefit recipients identified as New Zealand European, while 32% identified as Māori.

## Main benefits granted

### The number of main benefits granted decreased between 2010 and 2011

This decrease (see table MB.3) reflected the combined impacts of:

- the slow economic recovery from recession
- an ongoing emphasis by Work and Income on moving as many clients into work as possible.

### Around a third of clients granted a main benefit had not received a main benefit for at least four years

Between 2008/2009 and 2010/2011, between 31% and 36% of clients granted these benefits had not received a main benefit in the previous four years (see table MB.3). Over this period, the proportion who had received a main benefit within the last six months rose from 38% to 45%.

This pattern reflected both:

- the impacts of the economic recession on people who were previously independent of the benefit system
- the fact that, during an economic recession, some clients are more vulnerable than others to repeated spells on benefits.

**table MB.3: Periods since clients last received any main benefit**

Period since client last received any main benefit	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
	<b>Grants of a main benefit to working-age clients<sup>1</sup></b>				
None (clients transferring within the benefit system)	55,322	54,339	58,505	67,218	70,397
Under 6 months	34,586	31,985	35,209	41,720	46,343
6 months–2 years	39,778	38,795	45,394	42,132	48,537
2–4 years	14,580	13,861	21,000	19,320	13,444
Over 4 years	46,195	46,178	83,891	94,685	80,783
<b>Total grants to working-age clients</b>	<b>190,461</b>	<b>185,158</b>	<b>243,999</b>	<b>265,075</b>	<b>259,504</b>
	<b>Grants of a main benefit to other clients<sup>1</sup></b>				
<b>Grants to other clients</b>	<b>7,291</b>	<b>7,662</b>	<b>8,119</b>	<b>7,769</b>	<b>6,266</b>
	<b>Total grants of a main benefit<sup>1</sup></b>				
<b>Total</b>	<b>197,752</b>	<b>192,820</b>	<b>252,118</b>	<b>272,844</b>	<b>265,770</b>

Note

1. The number of successful applications for a main benefit recorded in SWIFTT during years ended June.

## Unemployment Benefits formed over two-fifths of the main benefits granted

Between 42% and 44% of main benefits granted between 2008/2009 and 2010/2011 were Unemployment Benefits (see table MB.4). This compared with 30% in 2007/2008.

This change reflected increases in unemployment as a result of the economic recession and the slow labour market recovery which followed the end of the recession.

**table MB.4: Types of main benefits granted to working-age clients**

Type of main benefit granted	Grants of a main benefit to working-age clients <sup>1</sup>				
	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
Unemployment Benefits	65,736	56,094	102,367	117,783	109,480
Domestic Purposes Benefits	33,471	36,494	41,811	40,616	38,072
Sickness Benefits	48,666	49,518	55,848	55,426	52,207
Invalid's Benefit	11,074	15,007	11,024	10,520	9,303
Other main benefits <sup>2</sup>	31,514	28,045	32,949	40,730	50,442
<b>Total</b>	<b>190,461</b>	<b>185,158</b>	<b>243,999</b>	<b>265,075</b>	<b>259,504</b>

### Notes

1. The number of successful applications from working-age clients for a main benefit recorded in SWIFTT during years ended June.
2. Comprises Unemployment Benefit – Training, Unemployment Benefit – Hardship – Training, Unemployment Benefit – Student Hardship, Independent Youth Benefit, Widow's Benefit and Emergency Benefit.

## Numbers of main benefits cancelled

### The numbers of main benefits cancelled increased steeply between 2008/2009 and 2010/2011

This increase (see table MB.5) reflected a combination of increasing numbers receiving a main benefit and increased work opportunities as the economic recession began to ease.

### During this period, main benefits cancelled became more likely to be Unemployment Benefits

Forty-four percent of the main benefits cancelled by working-age clients in 2009/2010 and 2010/2011 were Unemployment Benefits, compared with 35% in 2008/2009 (see table MB.5). This change largely reflected changes in the numbers receiving different types of main benefit.



**table MB.5: Types of main benefits cancelled**

Type of main benefit cancelled	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
	<b>Cancellations of a main benefit by working-age clients<sup>1</sup></b>				
Unemployment Benefits	83,991	61,240	65,940	106,105	115,783
Domestic Purposes Benefits	39,273	36,873	34,566	34,110	36,895
Sickness Benefits	47,254	51,207	47,620	50,327	50,721
Invalid's Benefit	8,454	8,530	8,730	8,660	8,613
Other main benefits <sup>2</sup>	32,130	29,780	32,636	42,507	51,031
<b>Main benefits cancelled by working-age clients</b>	<b>211,102</b>	<b>187,630</b>	<b>189,492</b>	<b>241,709</b>	<b>263,043</b>
<b>Cancellations of a main benefit by other clients<sup>1</sup></b>					
<b>Main benefits cancelled by other clients</b>	<b>8,326</b>	<b>7,441</b>	<b>7,259</b>	<b>7,405</b>	<b>7,062</b>
<b>Cancellations of a main benefit by all clients<sup>1</sup></b>					
<b>Total</b>	<b>219,428</b>	<b>195,071</b>	<b>196,751</b>	<b>249,114</b>	<b>270,105</b>

## Notes

1. The number of cancellations of main benefits recorded in SWIFTT during years ended June.
2. Comprises Unemployment Benefit – Training, Unemployment Benefit – Hardship – Training, Unemployment Benefit – Student Hardship, Independent Youth Benefit, Widow's Benefit and Emergency Benefit.

### Clients cancelling a main benefit became slightly more likely to be entering paid work

Thirty-three percent of the cancellations of main benefits in 2009/2010 and 2010/2011 were because the client was entering paid work. This proportion was similar to that in 2007/2008, but slightly up on the 29% in 2008/2009.

## Transfers within the benefit system

### The number of transfers increased between 2007/2008 and 2010/2011

This increase (see table MB.6) was steepest between 2008/2009 and 2009/2010.

### Most transfers reflected changes in client circumstances

Most transfers within the benefit system were to a form of assistance different from that the client was receiving before the transfer (see table MB.6). These transfers reflected changes in client circumstances (eg improvements in health status that meant clients could seek work).

## Transfers from Unemployment Benefits and Sickness Benefits dominated transfers to other assistance

Transfers from Unemployment Benefits were mainly to other unemployment-associated benefits (usually Unemployment Benefit – Training or Unemployment Benefit – Hardship – Training). Transfers from Sickness Benefits were mainly to Unemployment Benefits or Domestic Purposes Benefits.

A transfer within the same group of main benefits may reflect a change in the client's circumstances (eg a sole parent turns 18 years of age and the client transfers from an Emergency Maintenance Allowance to a Domestic Purposes Benefit – Sole Parent) or it may be recorded because the client's benefit was cancelled then resumed as part of reviewing the client's needs and entitlement to assistance.

**table MB.6: Transfers within the benefit system by working-age clients**

Type of transfer	Number of transfers from a main benefit by working-age clients <sup>1</sup>				
	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
Transferred to New Zealand Superannuation, a pension or another type of main benefit	49,535	48,445	51,776	59,239	60,900
Transferred within the same group of main benefits	6,412	6,472	7,327	8,600	10,157
<b>Total transfers</b>	<b>55,947</b>	<b>54,917</b>	<b>59,103</b>	<b>67,839</b>	<b>71,057</b>

Note

1. The number of transfers within the benefit system recorded in SWIFTT during years ended June. The dates of these transfers reflected the dates at which a new benefit was granted, not the dates at which a former benefit was cancelled.

# Dependent children

## Children dependent on benefit recipients

Children are recorded as living with Work and Income clients when the children are dependent on the clients. A dependent child, in relation to any person, means a child:

- whose care is primarily the responsibility of the person
- who is being maintained as a member of that person's family
- who is financially dependent on that person.

Other children living in the client's household are treated as economically independent of the client. The following statistics exclude economically independent children in clients' households.

## Numbers of dependent children

### **The number of children dependent on beneficiaries remained relatively flat between 2010 and 2011**

This pattern (see table DB.1) reflected a combination of:

- a small increase in the number of clients receiving a Domestic Purposes Benefit
- a larger decrease in the number of clients receiving an Unemployment Benefit.

The decrease in main benefit numbers was driven by Unemployment Benefits, but only a small proportion of Unemployment Benefit recipients had dependent children. On the other hand, nearly all recipients of Domestic Purposes Benefits had at least one dependent child.

### **Most children dependent on beneficiaries were aged under 14 years**

Around 82% of the children dependent on working-age benefit recipients between 2007 and 2011 were aged under 14 years (see table DB.1). This included around 39% who were aged under 6 years.

**table DB.1: Ages of children dependent on recipients of a main benefit**

Age of child at the end of June	2007	2008	2009	2010	2011
	<b>Children dependent on working-age recipients of a main benefit<sup>1</sup></b>				
0–5 years	75,265	75,820	85,927	92,039	92,683
6–9 years	47,665	45,712	49,278	51,304	50,610
10–13 years	43,777	42,343	45,514	47,578	47,217
14–17 years	36,914	35,233	38,908	41,286	40,978
18–19 years	1,703	1,570	1,678	2,146	2,231
<b>Total dependent on working-age clients</b>	<b>205,324</b>	<b>200,678</b>	<b>221,305</b>	<b>234,353</b>	<b>233,719</b>
<b>Children dependent on other recipients of a main benefit<sup>1</sup></b>					
<b>Total dependent on other clients</b>	1,070	1,081	1,161	1,054	913
<b>All children dependent on recipients of a main benefit<sup>1</sup></b>					
<b>Total</b>	<b>206,394</b>	<b>201,759</b>	<b>222,466</b>	<b>235,407</b>	<b>234,632</b>

Note

1. The number of children dependent on carers who were recorded in SWIFTT as receiving a main benefit at the end of June.

## Proportions of children dependent on benefit recipients

### Around one-fifth of children aged under 18 years were dependent on recipients of a main benefit

In 2010 and 2011, 21.5% of children aged under 18 years were dependent on benefit recipients. Between 2008 and 2010, this proportion increased from 18.5% to 21.5%.

This pattern reflected the impact of:

- the economic recession between 2008 and 2010
- the fact that clients coming off a benefit between 2010 and 2011 were less likely to have a dependent child than those who remained on a benefit.

# Benefit recipients declaring other income

## Introduction

This section outlines trends in the number of main benefit recipients who declared other income. Information about how Work and Income manages clients receiving other income is outlined in 'Impact of other income received'.

## Numbers of main benefit recipients who declare other income

### **The number of main benefit recipients declaring other income remained relatively flat between 2010 and 2011**

This pattern (see table OB.1) reflected in large part the small size of the change in numbers receiving a main benefit.

### **Benefit recipients were slightly less likely to be receiving other income**

Between 2009 and 2011, around 17% of working-age recipients of a main benefit were declaring other income (see table OB.1). This compares with between 19% and 21% in 2007 and 2008. Between 2007 and 2011, around 65% of those clients declaring other income declared \$80 a week or over before tax.

**table OB.1: Levels of other income declared by recipients of a main benefit**

Level of other income declared <sup>1</sup>	2007	2008	2009	2010	2011
	Working-age recipients of a main benefit <sup>2</sup>				
<b>Total not declaring income</b>	<b>207,365</b>	<b>208,380</b>	<b>257,334</b>	<b>278,079</b>	<b>273,617</b>
<b>Income declared<sup>3</sup></b>					
\$1.00–\$79.99	19,016	17,401	18,449	19,329	18,678
\$80.00–\$119.99	11,233	9,894	10,086	10,093	9,674
\$120.00–\$179.99	8,770	8,108	8,697	8,804	8,461
\$180.00–\$199.99	2,548	2,580	2,624	2,618	2,784
\$200.00 or over	12,077	11,954	13,106	14,001	14,603
<b>Total declaring income<sup>3</sup></b>	<b>53,644</b>	<b>49,937</b>	<b>52,962</b>	<b>54,845</b>	<b>54,200</b>
<b>Total working-age recipients</b>	<b>261,009</b>	<b>258,317</b>	<b>310,296</b>	<b>332,924</b>	<b>327,817</b>
	Other recipients of a main benefit <sup>2</sup>				
Other clients declaring income <sup>3</sup>	1,436	1,555	1,686	1,727	1,652
Other clients not declaring income	9,124	9,100	9,712	9,681	9,075
<b>Total other recipients of a main benefit</b>	<b>10,560</b>	<b>10,655</b>	<b>11,398</b>	<b>11,408</b>	<b>10,727</b>
	All recipients of a main benefit <sup>2</sup>				
Total clients declaring income <sup>3</sup>	55,080	51,492	54,648	56,572	55,852
Total clients not declaring income	216,489	217,480	267,046	287,760	282,692
<b>Total clients receiving a main benefit</b>	<b>271,569</b>	<b>268,972</b>	<b>321,694</b>	<b>344,332</b>	<b>338,544</b>

## Notes

1. Income per week before tax based on last declaration effective in the year ended June. The income declarations referred to here may include income received during part or all of the year ended June, and may also include income received during parts of earlier or later years.
2. The number of clients recorded in SWIFTT as receiving a main benefit at the end of June.
3. The number of recipients of a main benefit with one or more income declarations effective in the year ended June.

### Nearly two-fifths of benefit recipients declaring other income were receiving a Domestic Purposes Benefit

Between 2009 and 2011, between 37% and 40% of those declaring other income were receiving a Domestic Purposes Benefit. Over this period, the proportion of beneficiaries declaring other income who were receiving:

- an Invalid's Benefit decreased slightly (from 32% to 29%)
- an Unemployment Benefit was between 12% to 14%
- a Sickness Benefit was around 12%.

These changes reflected patterns in the number of clients receiving a main benefit.

# Unemployment Benefits

## Definition of Unemployment Benefits

This group of main benefits comprises:

- Unemployment Benefit
- Unemployment Benefit – Hardship.

## Recent changes in the administration of Unemployment Benefits

From September 2010, clients receiving an Unemployment Benefit were required to reapply for their benefit every 12 months. This process:

- includes completing a Comprehensive Work Assessment
- assesses the client's skills and needs, and their entitlement to an Unemployment Benefit.

Spouses and partners of Unemployment Benefit recipients whose youngest dependent child was aged under 6 years were obliged (if required to by their case manager) to meet the requirements of:

- the employment planning process (from September 2010)
- the Personal Development and Employment planning process (from September 2007 to September 2010).

## Eligibility by specific benefit

### Unemployment Benefit

#### Who is it available to?

An Unemployment Benefit is available to people who are:

- available for and actively seeking full-time work
- not already in full-time employment
- willing and able to undertake suitable full-time work.

To be eligible to receive an Unemployment Benefit, clients must be:

- aged 18 years or over, or
- aged 16–17 years, married or in a civil union, and supporting dependent children.

## **Income and residency tests, and pre-benefit requirements**

Income and residency tests apply. Clients applying for an Unemployment Benefit must meet all the pre-benefit requirements before receiving a benefit. Pre-benefit requirements may include such activities as attending pre-benefit seminars or applying for jobs.

## **Work obligations**

Recipients are subject to a full-time work test. This requires them to seek and be available for full-time work.

Completing approved training may be counted toward the fulfilment of work-test obligations.

## **The spouses and partners of recipients also have work obligations**

The work obligations of a spouse or partner depends on the age of the couple's youngest dependent child.

From September 2007, a spouse or partner is subject to:

- a full-time work test if they have no dependent children, or if their youngest dependent child is:
  - aged over 18 years, or
  - aged 18 years and not engaged in full-time education or training
- a part-time work test if their youngest child is:
  - aged 6–17 years, or
  - aged 18 years and engaged in full-time education or training.

If a couple's youngest dependent child is aged under 6 years, the spouse or partner is (if required to by their case manager) obliged to:

- engage with the employment planning process (from September 2010)
- engage with the Personal Development and Employment planning process (between September 2007 and September 2010).

For details of the work testing of spouses and partners before September 2007, see *The Statistical Report for the year ending June 2010*.

## **Unemployment Benefit – Hardship**

### **Who is it available to?**

An Unemployment Benefit – Hardship is available to people who:

- meet all of the eligibility criteria for the Unemployment Benefit other than residency criteria
- have not been successful in supporting themselves through paid employment or other means.

### **Income and asset tests, and pre-benefit requirements**

Income and asset tests apply. The same pre-benefit requirements apply as for the Unemployment Benefit.



## Numbers of clients receiving an Unemployment Benefit

### The number receiving an Unemployment Benefit decreased between 2010 and 2011

This decrease (see table UB.1) reflected a combination of:

- the slow improvement in economic conditions
- an ongoing emphasis by Work and Income on placing as many clients as possible into work.

A small number of Unemployment Benefits were received by non-working-age clients (see table UB.1). These were paid to people aged 65 years and over who had not yet transferred to New Zealand Superannuation or a Veterans' Pension.

For more information, see 'Overall trends in the use of financial assistance'.

### Clients receiving an Unemployment Benefit became slightly less likely to be young people

Twenty-nine percent of working-age recipients of an Unemployment Benefit in 2011 were aged 18–24 years (see table UB.1). This compared with 33% in 2009.

During the same period, the proportion of working-age clients who were aged 40–59 years increased (from 29% to 34%) (see table UB.1).

**table UB.1: Ages of clients receiving an Unemployment Benefit**

Age of client at the end of June	2007	2008	2009	2010	2011
	<b>Working-age clients receiving an Unemployment Benefit<sup>1</sup></b>				
18–24 years	4,164	3,639	16,705	19,024	16,363
25–39 years	7,597	5,957	16,690	20,377	17,598
40–49 years	4,025	3,341	8,793	11,316	10,733
50–59 years	3,102	2,428	5,969	8,214	8,410
60–64 years	4,271	2,345	2,698	3,154	3,160
<b>Total working-age clients</b>	<b>23,159</b>	<b>17,710</b>	<b>50,855</b>	<b>62,085</b>	<b>56,264</b>
<b>Other clients receiving an Unemployment Benefit<sup>1</sup></b>					
<b>Total other clients</b>	<b>228</b>	<b>161</b>	<b>181</b>	<b>175</b>	<b>59</b>
<b>All clients receiving an Unemployment Benefit<sup>1</sup></b>					
<b>Total</b>	<b>23,387</b>	<b>17,871</b>	<b>51,036</b>	<b>62,260</b>	<b>56,323</b>

Note

1. The number of clients recorded in SWIFTT as receiving an Unemployment Benefit at the end of June.

## **Nearly three-quarters of Unemployment Benefit recipients had received their benefit for under 12 months**

In 2010 and 2011, around 72% of working-age Unemployment Benefit recipients had received their benefit for less than 12 months. This compared with 89% in 2009.

Between 2010 and 2011, the proportion of working-age Unemployment Benefit recipients who had received their benefit for:

- between one and two years decreased (from 21% to 17%)
- over two years increased (from 5% to 12%).

As unemployment rose with the onset of the economic recession, the pool of people receiving an Unemployment Benefit grew, largely reflecting the growth in the grants of these benefits. This growth exceeded the movements off benefits into work or for other reasons, leading to clients having longer spells receiving benefits.

## **Proportions of working-age people receiving an Unemployment Benefit**

### **Working-age people became slightly less likely to be receiving an Unemployment Benefit**

Between 2010 and 2011, the proportion of working-age people receiving an Unemployment Benefit decreased from 2.3% to 2.1%. This followed an increase between 2008 and 2010 (from 0.7% to 2.3%).

This pattern reflected a combination of:

- changes in economic conditions
- the impact of policy and operational changes outlined under 'Numbers receiving assistance'.

Young people (18–24 years) were more likely than other working-age people to be receiving an Unemployment Benefit, reflecting:

- the relative difficulty encountered by young people in making an initial transition into their first job
- the increased vulnerability of young people to unemployment in times of economic recession.

The decrease between 2010 and 2011 in the proportion of working-age people receiving an Unemployment Benefit was particularly pronounced among young people.

See table OT.2 for trends since 1940 in the use of Unemployment Benefits.

## Unemployment Benefits granted

### The number of Unemployment Benefits granted decreased between 2009/2010 and 2010/2011

This decrease (see table UB.2) largely reflected changes in economic conditions.

A small number of Unemployment Benefits were granted to non-working-age clients (see table UB.2). Most of those benefits were granted to 16–17 year olds who were supporting dependants.

### Clients granted an Unemployment Benefit more recently were slightly more likely to be aged 18–24 years

Forty-five percent of working-age clients granted an Unemployment Benefit in 2009/2010 and 2010/2011 were aged 18–24 years (see table UB.2). This compared with 41% in 2008/2009.

This change largely reflected the impact of deteriorating economic conditions on work opportunities for young people, many of whom were seeking their first job.

**table UB.2: Ages of clients granted an Unemployment Benefit**

Age when Unemployment Benefit granted	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
	<b>Unemployment Benefits granted to working-age clients<sup>1</sup></b>				
18–24 years	27,179	22,297	42,426	52,476	49,692
25–39 years	22,074	18,985	32,758	35,307	31,177
40–49 years	9,408	8,550	15,214	16,536	15,526
50–59 years	5,293	4,880	9,307	10,528	10,237
60–64 years	1,782	1,382	2,662	2,936	2,848
<b>Total grants to working-age clients</b>	<b>65,736</b>	<b>56,094</b>	<b>102,367</b>	<b>117,783</b>	<b>109,480</b>
<b>Unemployment Benefits granted to other clients<sup>1</sup></b>					
<b>Total granted to other clients</b>	<b>99</b>	<b>93</b>	<b>108</b>	<b>129</b>	<b>92</b>
<b>Total Unemployment Benefits granted<sup>1</sup></b>					
<b>Total</b>	<b>65,835</b>	<b>56,187</b>	<b>102,475</b>	<b>117,912</b>	<b>109,572</b>

Note

1. The number of successful applications for Unemployment Benefits recorded in SWIFTT during years ended June.

### Clients granted an Unemployment Benefit became more likely to have received a main benefit in the previous year

Fifty-six percent of working-age clients granted Unemployment Benefits in 2010/2011 had received a main benefit in the previous 12 months. This compared with 40% in 2008/2009.

This change largely reflected the impact of deteriorating economic conditions on people who had previously been independent of the benefit system.

## Cancellations of Unemployment Benefits

### The number of Unemployment Benefits cancelled increased between 2007/2008 and 2010/2011

This increase (see table UB.3) accelerated in 2009/2010, then slowed in 2010/2011. It reflected a combination of:

- an increased number of clients receiving an Unemployment Benefit
- changes in economic conditions (a deepening of the recession in 2008/2009 and an easing beginning in 2009/2010)
- policy and practice initiatives to place as many unemployed people as possible into work, education or training.

A small number of these cancellations were by non-working-age clients (see table UB.3). Most were the result of people reaching 65 years of age and transferring to New Zealand Superannuation or a Veterans' Pension.

### Clients cancelling an Unemployment Benefit became more likely to be 18–24 years old

Forty-four percent of the working-age clients cancelling an Unemployment Benefit in 2009/2010 and 2010/2011 were aged 18–24 years (see table UB.3). This compared with 36% in 2007/2008.

This increase reflected the increased proportion of working-age Unemployment Benefit recipients who were aged 18–24 years.

**table UB.3: Ages of clients cancelling an Unemployment Benefit**

Age when Unemployment Benefit cancelled	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
	<b>Cancellations of Unemployment Benefits by working-age clients<sup>1</sup></b>				
18–24 years	31,993	22,189	26,561	47,735	50,859
25–39 years	28,693	20,902	21,807	32,714	34,860
40–49 years	12,163	9,323	9,581	14,179	16,159
50–59 years	7,408	5,670	5,736	8,702	10,612
60–64 years	3,734	3,156	2,255	2,775	3,293
<b>Total cancelled by working-age clients</b>	<b>83,991</b>	<b>61,240</b>	<b>65,940</b>	<b>106,105</b>	<b>115,783</b>
<b>Cancellations of Unemployment Benefits by other clients<sup>1</sup></b>					
<b>Total cancelled by other clients</b>	<b>957</b>	<b>677</b>	<b>454</b>	<b>423</b>	<b>456</b>
<b>Cancellations of Unemployment Benefits by all clients<sup>1</sup></b>					
<b>Total cancelled by all clients</b>	<b>84,948</b>	<b>61,917</b>	<b>66,394</b>	<b>106,528</b>	<b>116,239</b>

Note

1. The number of cancellations of Unemployment Benefits recorded in SWIFTT during years ended June.

## Clients cancelling an Unemployment Benefit were more likely to be entering paid work

Forty-nine percent of the working-age clients cancelling an Unemployment Benefit in 2009/2010 and 2010/2011 entered paid work. This compared with 43% in 2008/2009.

This was a return to levels seen before the economic recession, and reflected a combination of:

- the impact on job opportunities of changes in economic conditions between 2007/2008 and 2010/2011
- policy and practice initiatives to place as many clients as possible in work despite the recession
- changes in the numbers of clients receiving Unemployment Benefits.

## Transfers from Unemployment Benefits

### The number of transfers from Unemployment Benefits increased between 2007/2008 and 2010/2011

This increase (see table UB.4) reflected a combination of:

- increases between 2008 and 2010 in the number of clients receiving Unemployment Benefit
- an increase between 2009/2010 and 2010/2011 in transfers from Unemployment Benefits to training-related benefits, which reflected an ongoing emphasis by Work and Income on upskilling clients to prepare them for work.

### Around half the transfers from Unemployment Benefits to other assistance were to other unemployment-associated benefits

These transfers (see table UB.4) usually reflected clients transferring to an Unemployment Benefit – Training or an Unemployment Benefit – Hardship – Training while they undertook work-related training.

Eighteen percent of transfers from Unemployment Benefits in 2010/2011 were to another Unemployment Benefit (see table UB.4). This compared with 8% in 2007/2008.

A transfer within the same group of main benefits is recorded because the client's benefit was cancelled then resumed as part of reviewing the client's needs and entitlement to assistance.

**table UB.4: Transfers from Unemployment Benefits by working-age clients**

Type of transfer	Number of clients transferring from Unemployment Benefits <sup>1</sup>				
	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
Transferred to New Zealand Superannuation, pension or another type of main benefit	20,468	17,448	19,120	21,017	22,841
Transferred within the group of Unemployment Benefits	1,721	1,503	2,067	3,686	5,056
<b>Total transfers</b>	<b>22,189</b>	<b>18,951</b>	<b>21,187</b>	<b>24,703</b>	<b>27,897</b>

Note

1. The number of transfers from Unemployment Benefits recorded in SWIFTT during years ended June. The dates of these transfers reflected the dates at which a new benefit was granted, not the dates at which a former benefit was cancelled.

# Other unemployment-associated benefits

## Definition of other unemployment-associated benefits

This group of main benefits comprises:

- Unemployment Benefit – Training
- Unemployment Benefit – Hardship – Training
- Unemployment Benefit – Student Hardship
- Independent Youth Benefit.

## Recent operational and administrative changes

Since September 2010, clients receiving an Unemployment Benefit – Training, an Unemployment Benefit – Hardship – Training, or an Unemployment Benefit – Student Hardship have been required to reapply for their benefit every 12 months. This process:

- includes completing a Comprehensive Work Assessment
- assesses the client's skills and needs, and their ongoing entitlement to their benefit.

## Eligibility by specific benefit

### Unemployment Benefit – Training

#### Who is it available to?

An Unemployment Benefit – Training is available to full-time trainees on approved training courses.

To receive one, clients must be available for, and be willing to undertake, suitable full-time work, and be:

- aged 18 years or over, or
- aged 16–17 years, married or in a civil union, and supporting dependent children.

Recipients of an Unemployment Benefit – Training must remain available for work, and take reasonable steps to complete the job search requirements of an Unemployment Benefit.

Income and residency tests apply.

## Unemployment Benefit – Hardship – Training

### Who is it available to?

An Unemployment Benefit – Hardship – Training may be available to clients who meet all the criteria for an Unemployment Benefit – Training apart from the residency test.

Income and asset tests apply.

## Unemployment Benefit – Student Hardship

### Who is it available to?

Full-time tertiary students who are unable to secure employment over the summer vacation may be eligible for an Unemployment Benefit – Student Hardship.

To be eligible, students must:

- have received a Student Allowance during the academic year
- be entitled to receive a Student Allowance during the next academic year, or
- have exceptional circumstances.

Income, asset and residency tests apply.

## Independent Youth Benefit

### Who is it available to?

An Independent Youth Benefit is available to 16–17 year olds who, for some serious reason:

- cannot live with their parents
- cannot get financial support from their parents or anyone else.

In addition, these young people must be:

- actively looking for full-time work
- full-time trainees in an approved training course
- attending secondary school, or
- temporarily unable to work through sickness, injury or pregnancy.

Recipients of an Independent Youth Benefit who are in full-time education when they turn 18 years old may continue to receive that benefit until the end of the academic year. From 1 January 1998, an Independent Youth Benefit was no longer available to 16 and 17 year olds who had moved away from home in search of work when no family breakdown had occurred.

Income and residency tests apply.

## Numbers of clients receiving other unemployment-associated benefits

### The number receiving other unemployment-associated benefits decreased between 2009 and 2011

This decrease (see table OU.1) reflected an increased focus by Work and Income on moving people into paid work.

Between 2008 and 2011, almost all working-age recipients of these benefits were receiving a training-related benefit (Unemployment Benefit – Training or Unemployment Benefit – Hardship – Training) (see table OU.1). The remainder were receiving Unemployment Benefit – Student Hardship or an Independent Youth Benefit.

A small number of other unemployment-associated benefits were received by non-working-age clients (see table OU.1). The majority of these benefits were Independent Youth Benefits paid to 16–17 year olds.

A small number of 18 year olds still in secondary school were also receiving an Independent Youth Benefit until the end of the school year in which they turned 18. Working-age clients are not eligible to be granted an Independent Youth Benefit.

For more information, see 'Overall trends in the use of financial assistance'.

**table OU.1: Types of other unemployment-associated benefits received**

	2007	2008	2009	2010	2011
<b>Age of client at the end of June</b>	<b>Working-age clients receiving other unemployment-associated benefits<sup>1</sup></b>				
Unemployment Benefit – Training and Unemployment Benefit – Hardship – Training	6,099	6,432	7,356	6,455	6,101
Unemployment Benefit – Student Hardship	139	91	198	319	662
Independent Youth Benefit	91	52	52	71	73
<b>Total working-age clients</b>	<b>6,329</b>	<b>6,575</b>	<b>7,606</b>	<b>6,845</b>	<b>6,836</b>
	<b>Other clients receiving other unemployment-associated benefits<sup>1</sup></b>				
<b>Total other clients</b>	<b>1,209</b>	<b>1,204</b>	<b>1,723</b>	<b>1,667</b>	<b>1,131</b>
	<b>All clients receiving other unemployment-associated benefits<sup>1</sup></b>				
<b>Total</b>	<b>7,538</b>	<b>7,779</b>	<b>9,329</b>	<b>8,512</b>	<b>7,967</b>

Note

1. The number of clients recorded in SWIFTT as receiving other unemployment-associated benefits at the end of June.



## Proportions of working-age people receiving other unemployment-associated benefits

### Very small numbers of working-age people were receiving other unemployment-associated benefits

Between 2007 and 2011, less than 0.3% of working-age people were receiving other unemployment-associated benefits.

Most people receiving other unemployment-associated benefits were young people (aged 18–24 years) receiving training-related benefits.

### 16–17 year olds became slightly less likely to receive an Independent Youth Benefit

Between 2010 and 2011, the proportion of 16–17 year olds receiving an Independent Youth Benefit decreased from 1.3% to 0.9%. This reflected a return to levels last seen in 2008.

See table OT.2 for trends since 1991 in the number of clients receiving an Independent Youth Benefit.

## Other unemployment-associated benefits granted

### The number of other unemployment-associated benefits granted increased between 2007/2008 and 2010/2011

This increase (see table OU.2) reflected a larger number of people seeking financial assistance while in education or training. This increased demand for financial assistance during the economic recession reflected, at least in part, the reduced job opportunities during this period for students and other trainees.

### Clients granted other unemployment-associated benefits became more likely to be students seeking short-term support

Sixty-three percent of other unemployment-associated benefits granted in 2010/2011 were Unemployment Benefits – Student Hardship (see table OU.2). This compared with 43% in 2007/2008.

This increase reflected:

- the shortage of holiday work available for students requiring financial support during holiday periods
- the increase in student numbers as young people entered or remained in training rather than entered the job market during the recession.

Students use the Unemployment Benefit – Student Hardship for short-term support during vacation periods before entering or re-entering full-time study.

Around 37% of the other unemployment-associated benefits granted in 2010/2011 were Unemployment Benefits – Training or Unemployment Benefits – Hardship – Training (see table OU.2). This compared with 57% in 2007/2008.

**table OU.2: Types of other unemployment-associated benefits granted**

	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
<b>Type of benefit granted</b>	<b>Working-age clients granted other unemployment-associated benefits<sup>1</sup></b>				
Unemployment Benefit – Training and Unemployment Benefit – Hardship – Training	11,965	11,876	13,360	12,215	14,722
Unemployment Benefit – Student Hardship	10,941	8,865	11,200	18,180	24,796
<b>Total granted to working-age clients</b>	<b>22,906</b>	<b>20,741</b>	<b>24,560</b>	<b>30,395</b>	<b>39,518</b>
	<b>Other clients granted other unemployment-associated benefits<sup>1</sup></b>				
<b>Total granted to other clients</b>	<b>2,931</b>	<b>2,779</b>	<b>3,448</b>	<b>3,524</b>	<b>2,434</b>
	<b>All clients granted other unemployment-associated benefits<sup>1</sup></b>				
<b>Total</b>	<b>25,837</b>	<b>23,520</b>	<b>28,008</b>	<b>33,919</b>	<b>41,952</b>

Note

1. The number of successful applications for other unemployment-associated benefits recorded in SWIFTT during the year ended June.

### **Two-thirds of clients granted other unemployment-associated benefits were young people**

Sixty-seven percent of working-age clients granted these benefits in 2009/2010 and 2010/2011 were 18–24 year olds. This compared with 57% in 2007/2008.

A small number of non-working-age clients were granted other unemployment-associated benefits. Most of these were 16–17 year olds granted an Independent Youth Benefit.

## **Cancellations of other unemployment-associated benefits**

### **The number of other unemployment-associated benefits cancelled increased between 2007/2008 and 2010/2011**

This increase (see table OU.3) largely reflected a growth in the numbers of clients granted an Unemployment Benefit – Student Hardship. This benefit is short-term, paid during breaks from study, and cancelled when the student returns to study.

### **Cancellations of other unemployment-associated benefits became more likely to involve cancelling an Unemployment Benefit – Student Hardship**

Sixty percent of other unemployment-associated benefits cancelled in 2010/2011 were an Unemployment Benefit – Student Hardship (see table OU.3). This compared with 41% in 2007/2008.

This increase reflected the growing dominance of the Unemployment Benefit – Student Hardship among other unemployment-related benefits being granted. The Unemployment Benefit – Student Hardship is a short-term benefit, available during the summer vacation to students seeking holiday work.

**table OU.3: Types of other unemployment-associated benefits cancelled**

Type of other unemployment-associated benefit cancelled	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
	<b>Other unemployment-associated benefits cancelled by working-age clients<sup>1</sup></b>				
Unemployment Benefit – Training and Unemployment Benefit – Hardship – Training	11,227	11,639	12,556	13,029	14,819
Unemployment Benefit – Student Hardship	10,971	8,874	11,204	17,987	24,271
Independent Youth Benefit	638	967	1,114	1,538	1,366
<b>Total cancelled by working-age clients</b>	<b>22,836</b>	<b>21,480</b>	<b>24,874</b>	<b>32,554</b>	<b>40,456</b>
<b>Other unemployment-associated benefits cancelled by other clients<sup>1</sup></b>					
<b>Total cancelled by other clients</b>	<b>2,705</b>	<b>1,839</b>	<b>1,748</b>	<b>2,017</b>	<b>1,637</b>
<b>Other unemployment-associated benefits cancelled by all clients<sup>1</sup></b>					
<b>Total cancelled by all clients</b>	<b>25,541</b>	<b>23,319</b>	<b>26,622</b>	<b>34,571</b>	<b>42,093</b>

Note

1. The number of cancellations of other unemployment-associated benefits recorded in SWIFTT during years ended June.

# Domestic Purposes Benefits

## Definition of Domestic Purposes Benefits

This group of main benefits comprises:

- Domestic Purposes Benefit – Sole Parent
- Domestic Purposes Benefit – Care of Sick or Infirm
- Domestic Purposes Benefit – Women Alone
- Emergency Maintenance Allowance.

## Recent operational and administrative changes

From September 2010, clients receiving a Domestic Purposes Benefit – Sole Parent, a Domestic Purposes Benefit – Woman Alone, or an Emergency Maintenance Allowance are subject to work obligations if:

- they have no dependent children, or
- their youngest dependent child is aged 6 years or over.

If their youngest dependent child is aged less than 6 years, they have to meet the obligations of the employment planning process if required to by their case manager.

Between March 2003 and September 2010, clients receiving these benefits were obliged to meet the requirements of the Personal Development and Employment planning process if required to by their case managers.

## Eligibility by specific type of Domestic Purposes Benefit

### Domestic Purposes Benefit – Sole Parent

#### Who is it available to?

A Domestic Purposes Benefit – Sole Parent is available to a sole parent with one or more dependent children who:

- is aged under 18 years, or who is aged 18 years and still in school
- lives with them.

To be eligible for a Domestic Purposes Benefit – Sole Parent, the sole parent must:

- be single, and not living with the other parent or with another spouse or partner, or
- have lost the support of their spouse or partner (eg the spouse or partner is in prison or rehabilitation).

In addition, clients must:

- be aged 18 years or over, or
- be aged 16 or 17 years and have been legally married or in a civil union.

Applicants for a Domestic Purposes Benefit – Sole Parent are, with some exceptions, required to:

- name the other parent of the child or children for whom they are caring
- apply for Child Support.

A refusal to name the other parent without good reason results in a lower level of benefit being payable.

Income and residency tests apply.

### **Work obligations**

From September 2010, clients receiving a Domestic Purposes Benefit – Sole Parent are subject to:

- part-time work obligations if their youngest dependent child is aged 6–17 years
- full-time work obligations if their youngest dependent child is aged 18 years or over.

If their youngest dependent child is aged less than 6 years, they have to meet the obligations of the employment planning process if required to by their case manager.

### **What happens to the Child Support paid by the other parent of the child?**

Child Support paid by the liable parent, up to the level of the Domestic Purposes Benefit – Sole Parent, is retained by the Crown to offset the cost of the benefit. Please refer to Inland Revenue publications for information on the collection of Child Support.

## **Domestic Purposes Benefit – Care of Sick or Infirm**

### **Who is it available to?**

A Domestic Purposes Benefit – Care of Sick or Infirm is available to a person who is caring on a full-time basis for someone (other than a partner). The person being cared for must:

- be in their own home or in the client's home
- have an incapacity or condition that means they would otherwise be receiving:
  - hospital care
  - rest home care
  - residential disability care
  - extended care services provided for severely disabled children and young people, or
  - care of an equivalent kind.

To be eligible for a Domestic Purposes Benefit – Care of Sick or Infirm, clients must be aged 16 years or over.

Income and residency tests apply.

### **Work obligations**

Recipients of a Domestic Purposes Benefit – Care of Sick or Infirm are not work tested. These clients may, however, be required to attend annual interviews to plan their entry into paid work once their caring responsibilities have ended.

## Domestic Purposes Benefit – Women Alone

### Who is it available to?

A Domestic Purposes Benefit – Women Alone is available to women who are:

- without the support of a partner
- without dependent children.

To be eligible for this benefit, these women must have become alone or lost the support of a partner after:

- turning 50 years of age
- either:
  - caring for dependent children for at least 15 years
  - caring full-time for a sick or frail relative for at least five years, or
  - being supported by their partner for at least five years.

Residency and income tests apply.

### Work obligations

From September 2010, clients receiving a Domestic Purposes Benefit – Woman Alone have to meet the obligations of the employment planning process if required to by their case manager.

Between March 2003 and September 2010, these clients were obliged to meet the requirements of the Personal Development and Employment planning process if required to by their case manager.

## Emergency Maintenance Allowance

### Who is it available to?

An Emergency Maintenance Allowance is available to sole parents with one or more dependent children who don't meet the eligibility criteria for a Domestic Purposes Benefit – Sole Parent or a Widow's Benefit and who:

- are receiving reduced income owing to annual closedown periods
- are unpaid during a break in employment
- are sole parents aged 16 or 17 years old who have never been legally married or in a civil union and cannot be supported by their parents
- have split-custody childcare arrangements and are not entitled to a Domestic Purposes Benefit – Sole Parent, or
- are single and caring for a child not their own where the child does not qualify for any other benefit.

In some circumstances, it can also be paid to clients who are experiencing domestic violence but who are still living with their spouses or partners.

Around a third of clients receiving an Emergency Maintenance Allowance are aged 16–17 years.

Residency and income tests apply.

## Work obligations

From September 2010, clients receiving an Emergency Maintenance Allowance are subject to:

- part-time work obligations if their youngest dependent child is aged 6–17 years
- full-time work obligations if their youngest dependent child is aged 18 years or over.

If their youngest dependent child is aged less than 6 years, they have to meet the obligations of the employment planning process if required to by their case manager.

Between March 2003 and September 2010, clients receiving an Emergency Maintenance Allowance were obliged to meet the requirements of the Personal Development and Employment planning process if required to by their case managers.

## Numbers receiving a Domestic Purposes Benefit

### The numbers receiving a Domestic Purposes Benefit increased between 2008 and 2011

This increase (see table DP.1) reflected, at least in part, the impact of the economic recession on job opportunities for sole parents.

### During this period, almost all recipients of a Domestic Purposes Benefit were sole parents...

Between 2008 and 2011, 91% of recipients were receiving a Domestic Purposes Benefit – Sole Parent or an Emergency Maintenance Allowance (see table DP.1).

The number receiving a Domestic Purposes Benefit – Care of Sick or Infirm increased between 2008 and 2011, with the increase slowing slightly in 2010 and 2011. This reflected, at least in part, the impact of a Work and Income campaign aimed at ensuring people caring for others were receiving their full and correct entitlements.

**table DP.1: Types of Domestic Purposes Benefits received**

Type of Domestic Purposes Benefit received at the end of June	2007	2008	2009	2010	2011
	<b>Working-age clients receiving a Domestic Purposes Benefit<sup>1</sup></b>				
Domestic Purposes Benefit – Sole Parent	87,601	86,695	93,404	99,284	99,945
Domestic Purposes Benefit – Care of Sick or Infirm	4,485	5,246	6,016	6,630	7,248
Domestic Purposes Benefit – Women Alone	2,838	2,842	3,149	3,507	3,865
Emergency Maintenance Allowance	1,543	1,657	1,831	2,268	2,371
<b>Total received by working-age clients</b>	<b>96,467</b>	<b>96,440</b>	<b>104,400</b>	<b>111,689</b>	<b>113,429</b>
<b>Other clients receiving a Domestic Purposes Benefit<sup>1</sup></b>					
<b>Total received by other clients</b>	<b>644</b>	<b>717</b>	<b>782</b>	<b>694</b>	<b>610</b>
<b>All clients receiving a Domestic Purposes Benefit<sup>1</sup></b>					
<b>Total</b>	<b>97,111</b>	<b>97,157</b>	<b>105,182</b>	<b>112,383</b>	<b>114,039</b>

Note

1. The number of clients recorded in SWIFTT as receiving a Domestic Purposes Benefit at the end of June.

### **... of whom over half had at least one dependent child aged less than 6 years**

Between 2008 and 2011, 55% of the working-age recipients of a Domestic Purposes Benefit – Sole Parent or an Emergency Maintenance Allowance had at least one child aged under 6 years (see table DP.2). Almost all recipients of these benefits had at least one child aged under 14 years.



**table DP.2: Ages of youngest children of working-age recipients of a Domestic Purposes Benefit – Sole Parent or an Emergency Maintenance Allowance**

Age of youngest dependent child at the end of June	Working-age clients receiving a Domestic Purposes Benefit – Sole Parent or an Emergency Maintenance Allowance <sup>1</sup>				
	2007	2008	2009	2010	2011
0–5 years	48,303	48,703	52,641	56,201	57,595
6–9 years	18,523	17,727	18,606	19,395	18,892
10–13 years	13,273	12,934	13,832	14,654	14,678
14–17 years	8,710	8,615	9,700	10,715	10,586
18–19 years	260	232	288	412	430
Not caring for children <sup>2</sup>	75	141	168	175	135
<b>Total</b>	<b>89,144</b>	<b>88,352</b>	<b>95,235</b>	<b>101,552</b>	<b>102,316</b>

## Notes

1. The number of working-age clients recorded in SWIFTT as receiving a Domestic Purposes Benefit – Sole Parent or an Emergency Maintenance Allowance at the end of June.
2. Clients may continue to receive a Domestic Purposes Benefit – Sole Parent or an Emergency Maintenance Allowance for a short period after the child in respect of whom the benefit was paid has left their care. In addition, clients may be paid a Domestic Purposes Benefit – Sole Parent or an Emergency Maintenance Allowance at a reduced rate while the custody and care circumstances of the children involved are clarified.

## Proportions of working-age people receiving Domestic Purposes Benefits

### Relatively small numbers of working-age people received a Domestic Purposes Benefit – Sole Parent or an Emergency Maintenance Allowance

Between 2010 and 2011, 3.7% of working-age people were receiving one of these benefits. This followed an increase (from 3.3% to 3.7%) between 2008 and 2010.

This pattern reflects a combination of:

- changes in economic conditions, and the impact of these on job opportunities for sole parents and on rates of relationship breakdown
- the fact that numbers receiving these benefits did not reflect the slight decrease in overall benefit numbers, largely reflecting the ongoing impact of the recession on employment opportunities for sole parents.

### **Younger people were most likely to be receiving these benefits**

Between 2007 and 2011, 25–39 year olds and 18–24 year olds were more likely than older working-age people to be receiving a Domestic Purposes Benefit – Sole Parent or an Emergency Maintenance Allowance. This reflected, at least in part, patterns in the ages of:

- women having children
- people when relationship breakdowns occur.

### **Very small numbers of working-age people receive other Domestic Purposes Benefits**

Between 2007 and 2011, very small numbers of working-age people (0.3% or fewer) were receiving a:

- Domestic Purposes Benefit – Woman Alone, or
- Domestic Purposes Benefit – Care of Sick or Infirm.

See table OT.2 for trends since 1975 in the number of clients receiving a Domestic Purposes Benefit.

## **Domestic Purposes Benefits granted**

### **The number of Domestic Purposes Benefits granted decreased between 2008/2009 and 2010/2011**

This decrease (see table DP.3) reflected improved economic conditions.

### **Around half of the clients granted a Domestic Purposes Benefit had received benefits in the previous 12 months**

Between 49% and 54% of clients granted a Domestic Purposes Benefit between 2008/2009 and 2010/2011 had received a main benefit in the previous 12 months (see table DP.3). This compared with 57% in 2006/2007 and 2007/2008.

Over the same period, between 29% and 36% of clients granted a Domestic Purposes Benefit had not received a main benefit in the previous two years (see table DP.3).

**table DP.3: Periods since clients last received any main benefit**

Period since client last received any main benefit	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
	Domestic Purposes Benefits granted to working-age clients <sup>1</sup>				
None (clients transferring within the benefit system) <sup>2</sup>	9,447	10,035	10,654	11,416	11,071
Under 12 months	9,900	10,567	10,876	9,683	9,963
1–2 years	3,289	3,938	4,483	3,656	3,198
2–4 years	3,061	3,393	4,365	4,201	3,307
Had not received a main benefit in the previous 4 years	7,774	8,561	11,433	11,660	10,533
<b>Total granted to working-age clients</b>	<b>33,471</b>	<b>36,494</b>	<b>41,811</b>	<b>40,616</b>	<b>38,072</b>
	Domestic Purposes Benefits granted to other clients <sup>1</sup>				
<b>Total granted to other clients</b>	<b>940</b>	<b>1,054</b>	<b>1,100</b>	<b>942</b>	<b>799</b>
	Total Domestic Purposes Benefits granted <sup>1</sup>				
<b>Total</b>	<b>34,411</b>	<b>37,548</b>	<b>42,911</b>	<b>41,558</b>	<b>38,871</b>

## Notes

1. The number of successful applications for a Domestic Purposes Benefit recorded in SWIFTT during years ended June.
2. Includes transfers from a different type of benefit or from the same type of benefit. Transfers from the same type of benefit occur when benefits are cancelled and restarted for administrative reasons (eg a review of entitlement).

### The number of Domestic Purposes Benefits – Sole Parent and Emergency Maintenance Allowances granted decreased between 2008/2009 and 2010/2011

This decrease (see table DP.4) reflected in part improvements in economic conditions.

### Nearly two-thirds of these clients had a dependent child aged under 6 years

Between 2008/2009 and 2010/2011, between 63% and 66% of the working-age clients granted a Domestic Purposes Benefit – Sole Parent or an Emergency Maintenance Allowance had at least one dependent child aged under 6 years (see table DP.4). Nearly all (91%) of the clients granted these benefits over this period had at least one dependent child aged under 14 years.

**table DP.4: Ages of youngest children of working-age clients granted a Domestic Purposes Benefit – Sole Parent or an Emergency Maintenance Allowance**

Age of youngest dependent child when benefit granted	Domestic Purposes Benefit – Sole Parent and Emergency Maintenance Allowance granted to working-age clients <sup>1</sup>				
	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
0–5 years	19,773	21,285	23,462	23,069	21,894
6–9 years	4,605	4,719	5,693	5,191	4,568
10–13 years	3,353	3,762	4,539	4,301	3,721
14–17 years	2,164	2,402	3,274	3,190	2,849
18 years or over	15	13	28	39	31
Unspecified	0	0	0	1	1
Not applicable (no child linked to the benefit) <sup>2</sup>	65	82	99	83	86
<b>Total granted</b>	<b>29,975</b>	<b>32,263</b>	<b>37,095</b>	<b>35,874</b>	<b>33,150</b>

## Notes

1. The number of successful applications from working-age clients for a Domestic Purposes Benefit – Sole Parent or an Emergency Maintenance Allowance recorded in SWIFTT during years ended June.
2. Clients have been granted these benefits while the custody and care circumstances of the children involved are clarified. In most cases, these benefits are paid at a rate similar to Unemployment Benefits received by single people with no children.

## Cancellations of Domestic Purposes Benefits

### The number of clients cancelling a Domestic Purposes Benefit increased between 2009/2010 and 2010/2011

This increase (see table DP.5) reflected a combination of:

- changes in economic conditions
- an ongoing emphasis by Work and Income on placing as many clients into work as possible.

### Clients cancelling a Domestic Purposes Benefit became slightly more likely to be entering paid work

Thirty-five percent of working-age clients cancelling a Domestic Purposes Benefit in 2010/2011 entered paid work (see table DP.5). This compared with 31% in 2009/2010.

This increase reflected the combined impact of:

- the slow improvement in economic conditions
- an ongoing emphasis by Work and Income on placing as many clients as possible into paid work.

The most common 'other' reason for cancelling a Domestic Purposes Benefit was clients entering other relationships or reconciling with former partners.

**table DP.5: Reasons for cancelling a Domestic Purposes Benefit**

Reason for cancellation	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
	<b>Cancellations of Domestic Purposes Benefits by working-age clients<sup>1</sup></b>				
Obtained paid work	16,223	14,755	11,706	10,714	12,834
Other <sup>2</sup>	23,050	22,118	22,860	23,396	24,061
<b>Total cancelled by working-age clients</b>	<b>39,273</b>	<b>36,873</b>	<b>34,566</b>	<b>34,110</b>	<b>36,895</b>
<b>Cancellations of Domestic Purposes Benefits by other clients<sup>1</sup></b>					
<b>Total cancelled by other clients</b>	<b>370</b>	<b>351</b>	<b>375</b>	<b>373</b>	<b>348</b>
<b>Cancellations of Domestic Purposes Benefits by all clients<sup>1</sup></b>					
<b>Total cancellations</b>	<b>39,643</b>	<b>37,224</b>	<b>34,941</b>	<b>34,483</b>	<b>37,243</b>

## Notes

1. The number of cancellations of Domestic Purposes Benefits recorded in SWIFTT during years ended June.
2. These cancellations occurred for administrative reasons (eg to test ongoing eligibility or to change payment rates), because clients transferred to another benefit, or because clients moved out of the benefit system without taking up paid work. People may leave the benefit system without taking up work for a range of reasons, including entering full-time study, imprisonment, entering a new relationship, or leaving the country.

## Transfers from Domestic Purposes Benefits

### The number of transfers from Domestic Purposes Benefits increased between 2007/2008 and 2010/2011

This increase (see table DP.6):

- slowed between 2009/2010 and 2010/2011
- reflected an increased number of clients receiving a Domestic Purposes Benefit.

### Transfers from Domestic Purposes Benefits became slightly more likely to be to other main benefits

Sixty-three percent of transfers from Domestic Purposes Benefits in 2009/2010 and 2010/2011 were to other forms of assistance (see table DP.6). This compared with 57% in 2007/2008.

This change largely reflected an increase in the numbers of transfers from Domestic Purposes Benefits to Unemployment Benefits. In 2009/2010 and 2010/2011, 49% of transfers from Domestic Purposes Benefits to other forms of assistance were to Unemployment Benefits.

A transfer within the same group of main benefits is recorded because of a change in the client's circumstances (eg a sole parent turns 18 years of age and transfers from an Emergency Maintenance Allowance to a Domestic Purposes Benefit – Sole Parent) or because the client's benefit was cancelled then resumed as part of reviewing the client's needs and entitlement to assistance.

**table DP.6: Transfers from Domestic Purposes Benefits by working-age clients**

Type of transfer	Numbers of transfers from Domestic Purposes Benefits by working-age clients <sup>1</sup>				
	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
Transferred to New Zealand Superannuation, pension or another type of main benefit	4,052	3,842	4,470	5,298	5,389
Transferred within the group of Domestic Purposes Benefits	2,649	2,903	3,071	2,953	3,102
<b>Total transfers</b>	<b>6,701</b>	<b>6,745</b>	<b>7,541</b>	<b>8,251</b>	<b>8,491</b>

## Note

1. The number of transfers from Domestic Purposes Benefits recorded in SWIFTT during years ended June. The dates of these transfers reflected the dates at which a new benefit was granted, not the dates at which a former benefit was cancelled.

# Sickness Benefits

## Definition of Sickness Benefits

The main benefits in this group are the:

- Sickness Benefit
- Sickness Benefit – Hardship.

## Recent administrative and operational changes

Since January 2004, clients receiving a Sickness Benefit have been able to access pilot programmes aimed at helping them to:

- set goals for their future
- develop individual plans to address their needs, strengths, barriers and key issues.

From September 2007, new administrative processes for Sickness Benefits:

- require more detailed medical information on medical certificates
- allow case managers to make decisions about whether clients should receive a Sickness Benefit, an Invalid's Benefit or other assistance.

These decisions by case managers are to be based on:

- the medical information provided
- discussions with the clients
- where required, advice from Regional Health Advisors and/or Regional Disability Advisors.

Between September 2007 and September 2010, clients receiving Sickness Benefits were also obliged to meet the requirements of the Personal Development and Employment planning process if required to by their case manager.

From September 2010, clients receiving a Sickness Benefit are obliged to meet the requirements of the employment planning process if required to by their case manager.

From May 2011, clients receiving a Sickness Benefit are required to complete a reassessment for their benefit every 12 months. This process:

- includes an interview to review their circumstances, including their medical history, and their eligibility for a Sickness Benefit
- ensures the information on the client's incapacity, needs and skills remains up to date, and assesses the client's entitlement to a Sickness Benefit.

From May 2011, Sickness Benefit recipients assessed by a doctor as being able to work part-time can also be made subject to part-time work obligations.

## Eligibility by specific type of Sickness Benefit

### Sickness Benefit

#### Who is it available to?

Since 1 October 1998, a Sickness Benefit has been available to people who are:

- unable to work full-time through illness, injury or pregnancy
- limited in their capacity to seek work owing to illness or injury, or
- in employment but losing earnings through illness or injury.

To receive a Sickness Benefit, a client must be:

- aged 18 years or over, or
- aged 16 years or over, married or in a civil union, and supporting a dependent child.

Income and residency tests apply.

#### Work obligations

From September 2010, clients receiving a Sickness Benefit are obliged to fulfil the demands of the employment planning process if required to by their case manager. From May 2011, if they are assessed as being able to work part-time, they may be made subject to part-time work obligations.

Between September 2007 and September 2010, clients receiving a Sickness Benefit were obliged to fulfil the demands of the Personal Development and Employment planning process if required to by their case manager.

#### The spouses and partners of recipients are also work tested

The type of work test for a spouse or partner depends on the age of the couple's youngest dependent child.

From September 2007, a spouse or partner is subject to:

- a full-time work test if they have no dependent children, or if their youngest dependent child is:
  - aged over 18 years, or
  - aged 18 years and not engaged in full-time education or training
- a part-time work test if their youngest child is:
  - aged 6–17 years, or
  - aged 18 years and engaged in full-time education or training.

If a couple's youngest dependent child is aged under 6 years, the spouse or partner is (if required to by their case manager) obliged to engage with:

- the Personal Development and Employment planning process (from September 2007 to September 2010)
- the employment planning process (from September 2010).



## **Sickness Benefit – Hardship**

This benefit is available to people who:

- meet all of the eligibility criteria for a Sickness Benefit other than the residency criteria
- are suffering hardship because of illness or injury.

Sixteen or 17 year olds may also be eligible for a Sickness Benefit – Hardship if they are:

- unable to support themselves because of pregnancy, or
- attending an approved rehabilitation programme.

## **Numbers of clients receiving a Sickness Benefit**

### **The number receiving a Sickness Benefit plateaued between 2010 and 2011**

This pattern (see table SB.1) reflected a combination of:

- the slow improvement in economic conditions
- an ongoing emphasis by Work and Income on moving as many clients as possible into work.

Only a very small number of Sickness Benefit recipients were being paid a Sickness Benefit – Hardship.

### **Recipients of a Sickness Benefit became more likely to have a psychological or psychiatric condition**

Forty-two percent of working-age recipients of a Sickness Benefit in 2011 had a psychological or psychiatric condition (see table SB.1). This compared with 36% in 2007.

There was a corresponding decrease in the proportion of working-age clients with a systemic disorder, from 40% to 35% (see table SB.1).

**table SB.1: Incapacities of clients receiving a Sickness Benefit**

Client incapacity at the end of June	2007	2008	2009	2010	2011
	Working-age clients receiving a Sickness Benefit <sup>1</sup>				
Accident, trauma, entry of foreign bodies	4,790	3,313	4,333	4,547	4,521
Cancer	819	647	684	812	895
Congenital conditions	148	186	225	245	261
Disease <sup>2</sup>	349	649	784	850	791
Intellectual disability	158	113	117	113	107
Pregnancy related	1,477	1,428	1,327	1,262	1,328
Psychological or psychiatric conditions	17,274	18,036	22,004	23,931	24,120
Sensory disorders	529	542	657	708	720
Substance abuse	3,479	3,842	4,494	4,642	4,207
Systemic disorders <sup>3</sup>	19,012	17,242	19,232	20,638	20,269
Unspecified/ill-defined conditions <sup>4</sup>	28	273	495	717	790
<b>Total working-age clients</b>	<b>48,063</b>	<b>46,271</b>	<b>54,352</b>	<b>58,465</b>	<b>58,009</b>
	Other clients receiving a Sickness Benefit <sup>1</sup>				
<b>Total other clients</b>	<b>524</b>	<b>439</b>	<b>540</b>	<b>751</b>	<b>886</b>
	All clients receiving a Sickness Benefit <sup>1</sup>				
<b>Total</b>	<b>48,587</b>	<b>46,710</b>	<b>54,892</b>	<b>59,216</b>	<b>58,895</b>

## Notes

1. The number of clients recorded in SWIFTT as receiving a Sickness Benefit at the end of June.
2. Encompasses circulatory system diseases, infectious diseases and parasitic diseases.
3. Encompasses disorders of physiological systems (eg musculoskeletal systems, metabolic systems).
4. Includes incapacities not coded and ill-defined conditions.

### Nearly half of the working-age clients receiving a Sickness Benefit were aged 40–59 years

Between 2007 and 2011, between 45% and 48% of working-age Sickness Benefit clients were aged 40–59 years. Over the same period:

- between 27% and 29% of these clients were aged 25–39 years
- between 14% and 17% were aged 18–24 years.

### **Recipients of a Sickness Benefit became more likely to have received their benefit for over two years**

Thirty-seven percent of working-age recipients of a Sickness Benefit in 2011 had received their current benefit for over two years. This compared with 29% in 2009. Between 2009 and 2011, there was a corresponding decrease in the proportion who had received their benefit for under one year (from 52% to 43%).

This change reflected the impact of the economic recession of 2008–2010. The recession led to clients remaining on Sickness Benefits for longer as opportunities for paid work became fewer for people affected by disability and health issues.

## **Proportions of working-age people receiving a Sickness Benefit**

### **Working-age people became slightly less likely to be receiving a Sickness Benefit**

Between 2010 and 2011, the proportion of working-age people receiving a Sickness Benefit decreased slightly, from 2.2% to 2.1%. This followed an increase from 1.7% to 2.2% between 2008 and 2010.

This pattern reflected:

- the changing economic conditions, and the impact of these on employment opportunities for people with health issues
- an increase between 2008 and 2010 in the use of Sickness Benefits by people who had developed health-related issues while receiving other main benefits.

### **Older working-age people were more likely to be receiving Sickness Benefits**

Between 2007 and 2011, 50–64 year olds were more likely than younger working-age people to be receiving a Sickness Benefit.

### **Younger people drove the reduction in the proportion of working-age people receiving Sickness Benefits**

The proportions of 18–24 year olds and of 25–39 year olds receiving a Sickness Benefit each decreased between 2010 and 2011. In contrast, the proportion of 40–64 year olds receiving a Sickness Benefit increased between 2010 and 2011.

This reflected, at least in part, a combination of:

- the ageing of the population
- the historic tendency for older working-age people to be more likely than their younger counterparts to be receiving a Sickness Benefit.

See table OT.2 for trends since 1940 in the number of clients receiving a Sickness Benefit.

## **Sickness Benefits granted**

### **The number of Sickness Benefits granted decreased between 2009/2010 and 2010/2011**

This decrease (see table SB.2) reflected a combination of:

- the slow improvement in economic conditions
- an ongoing emphasis by Work and Income on moving as many clients into work as possible.

### **Nearly two in five clients granted a Sickness Benefit had a psychological or psychiatric condition**

Of the working-age clients granted a Sickness Benefit between 2008/2009 and 2010/2011 (see table SB.2):

- around 37% had a psychological or psychiatric disorder
- around 28% had a systemic disorder.

**table SB.2: Incapacities of clients granted a Sickness Benefit**

Client incapacity when benefit granted	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
	<b>Sickness Benefits granted to working-age clients<sup>1</sup></b>				
Accident, trauma, entry of foreign bodies	5,563	5,407	6,601	6,888	6,057
Cancer	1,080	937	986	1,028	978
Congenital conditions	213	211	266	235	214
Disease <sup>2</sup>	607	710	999	972	839
Intellectual disability	136	64	143	97	105
Pregnancy related	4,525	4,484	4,496	4,499	4,408
Psychological or psychiatric conditions	16,834	18,227	20,892	20,647	20,028
Sensory disorders	444	460	604	572	566
Substance abuse	2,666	3,178	3,742	3,648	3,333
Systemic disorders <sup>3</sup>	16,308	15,418	16,295	15,772	14,524
Unspecified/ill-defined conditions <sup>4</sup>	290	422	824	1,068	1,155
<b>Total granted to working-age clients</b>	<b>48,666</b>	<b>49,518</b>	<b>55,848</b>	<b>55,426</b>	<b>52,207</b>
<b>Sickness Benefits granted to other clients<sup>1</sup></b>					
<b>Total granted to other clients</b>	<b>823</b>	<b>808</b>	<b>938</b>	<b>954</b>	<b>904</b>
<b>Sickness Benefits granted to all clients<sup>1</sup></b>					
<b>Total</b>	<b>49,489</b>	<b>50,326</b>	<b>56,786</b>	<b>56,380</b>	<b>53,111</b>

## Notes

1. The number of successful applications for a Sickness Benefit recorded in SWIFTT during years ended June.
2. Encompasses circulatory system diseases, infectious diseases and parasitic diseases.
3. Encompasses disorders of physiological systems (eg musculoskeletal systems, metabolic systems).
4. Includes incapacities not coded and ill-defined conditions.

### Two in five clients granted a Sickness Benefit had not received a main benefit in the previous two years

Between 2008/2009 and 2010/2011, the proportion of clients granted a Sickness Benefit who had not received a main benefit in the previous two years decreased slightly, from 43% to 38%.

Over the same period, the proportion of these clients who had received a main benefit in the last 12 months increased, from 48% to 55%.

## Cancellations of Sickness Benefits

### The number of Sickness Benefits cancelled remained relatively flat between 2009/2010 and 2010/2011

This pattern (see table SB.3) reflected patterns in the numbers of clients receiving Sickness Benefits.

### Clients cancelling a Sickness Benefit became slightly more likely to enter paid work

Nineteen percent of clients cancelling a Sickness Benefit in 2010/2011 went directly into paid work (see table SB.3). This compared with 15% in 2009/2010. This increase reflected:

- the slow improvement in economic conditions following the recession
- an ongoing emphasis by Work and Income on moving as many clients as possible into paid work.

Other clients moved from a Sickness Benefit to an Unemployment Benefit before entering work. In 2009/2010 and 2010/2011, there were more transfers from a Sickness Benefit to an Unemployment Benefit than from an Unemployment Benefit to a Sickness Benefit.

The main 'other' reasons for the cancellations of Sickness Benefits were:

- a loss of medical coverage, including recovery from illness or incapacity
- transition into full-time study.

**table SB.3: Reasons for cancelling a Sickness Benefit**

Reason for cancellation	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
<b>Sickness Benefits cancelled by working-age clients<sup>1</sup></b>					
Obtained paid work	8,619	9,437	7,666	7,558	9,539
Other <sup>2</sup>	38,635	41,770	39,954	42,769	41,182
<b>Total cancelled by working-age clients</b>	<b>47,254</b>	<b>51,207</b>	<b>47,620</b>	<b>50,327</b>	<b>50,721</b>
<b>Sickness Benefits cancelled by other clients<sup>1</sup></b>					
<b>Total cancelled by other clients</b>	<b>983</b>	<b>1,139</b>	<b>1,114</b>	<b>1,112</b>	<b>1,223</b>
<b>Sickness Benefits cancelled by all clients<sup>1</sup></b>					
<b>Total</b>	<b>48,237</b>	<b>52,346</b>	<b>48,734</b>	<b>51,439</b>	<b>51,944</b>

#### Notes

1. The number of cancellations of Sickness Benefits recorded in SWIFTT during years ended June.
2. These cancellations occurred for administrative reasons (eg to test ongoing eligibility or to change payment rates), because clients transferred to another benefit, or because clients moved out of the benefit system without taking up paid work. People may leave the benefit system without taking up work for a range of reasons, including entering full-time study, imprisonment, entering a new relationship, or leaving the country.

## Transfers from Sickness Benefits

### The number of transfers from Sickness Benefits decreased between 2009/2010 and 2010/2011

This decrease (see table SB.4) reflected a combination of:

- a flattening of the numbers of clients receiving and cancelling Sickness Benefits
- a reduction in transfers from a Sickness Benefit to an Invalid's Benefit.

The reduction in the numbers of clients transferring from Sickness Benefits to an Invalid's Benefit reflected the ongoing impact of the September 2007 changes to the administration of Sickness Benefits. These changes were aimed at ensuring clients with a health or disability issue were given the most appropriate assistance.

### Virtually all transfers from Sickness Benefits were to other main benefits

Between 2006/2007 and 2010/2011, between 94% and 96% of the transfers from Sickness Benefits were to other forms of assistance (see table SB.4). These transfers were mainly to Unemployment Benefits and Domestic Purposes Benefits. The largest of these transfers was to Unemployment Benefits, as clients recovered their health sufficiently to engage in job search.

A transfer within the same group of main benefits is recorded because the client's benefit was cancelled then resumed as part of reviewing the client's needs and entitlement to assistance.

**table SB.4: Transfers from Sickness Benefits by working-age clients**

Type of transfer	Number of transfers from Sickness Benefits by working-age clients <sup>1</sup>				
	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
Transferred to New Zealand Superannuation, pension or another type of main benefit	16,360	18,690	17,832	19,975	18,925
Transferred within the group of Sickness Benefits	970	958	1,126	889	890
<b>Total transfers</b>	<b>17,330</b>	<b>19,648</b>	<b>18,958</b>	<b>20,864</b>	<b>19,815</b>

Note

1. The number of transfers from Sickness Benefits recorded in SWIFTT during years ended June. The dates of these transfers reflected the dates at which a new benefit was granted, not the dates at which a former benefit was cancelled.

# Invalid's Benefit

## Eligibility

An Invalid's Benefit is available to people who are either:

- permanently and severely restricted in their capacity for work because of sickness, injury or disability, or
- totally blind.

A 'permanent and severe' restriction is defined in the Social Security Act 1964 as one that:

- means the client cannot regularly work more than 15 hours a week in open employment
- either:
  - is expected to last at least two years, or
  - is terminal and the client is not expected to live for more than two years.

An Invalid's Benefit is available to clients who are 16 years or over.

Income and residency tests apply.

## Work obligations

Since September 2010, Invalid's Benefit recipients have had to fulfil the obligations of the employment planning process if required to by their case manager.

Clients may be exempted from these requirements if it would be inappropriate for them to be required to participate in planning.

Between September 2007 and September 2010, Invalid's Benefit recipients were obliged to fulfil the requirements of the Personal Development and Employment planning process if required to by their case manager.

## The spouses and partners of recipients are also work tested

The type of work test for a spouse or partner depends on the age of the couple's youngest dependent child.

From September 2007, a spouse or partner is subject to:

- a full-time work test if they have no dependent children, or if their youngest dependent child is:
  - aged over 18 years, or
  - aged 18 years and not engaged in full-time education or training
- a part-time work test if their youngest child is:
  - aged 6–17 years, or
  - aged 18 years and engaged in full-time education or training.



If the couple's youngest dependent child is aged under 6 years, the spouse or partner is (if required to by their case manager) obliged to fulfil the requirements of:

- the Personal Development and Employment planning process (from September 2007 to September 2010)
- the employment planning process (from September 2010).

### **Recent administrative changes**

In July 2004, eligibility criteria for an Invalid's Benefit were modified to support recipients who wished to try to undertake paid work. These changes allow:

- an Invalid's Benefit recipient to keep their benefit while working 15 hours a week or more, if the period of employment:
  - is agreed in advance with the client's case manager
  - does not exceed six months
- a client who stops work and reapplies for an Invalid's Benefit owing to the same illness, disability or injury to be exempted from the automatic stand-down period before they resume receiving a benefit.

Clients taking up the second option may be subject to a stand-down period if they have had high earnings from their employment.

From July 2007, the residency requirements for an Invalid's Benefit were reduced to match those for other main benefits. Further administrative changes from September 2007 aimed to ensure clients received the assistance most appropriate to their needs. These changes consisted of:

- requiring more medical information on medical certificates
- allowing case managers to make decisions about whether clients should receive a Sickness Benefit, an Invalid's Benefit or other assistance.

These decisions by case managers are to be based on:

- the medical information provided
- discussions with the clients
- other relevant assessments.

From September 2007 until September 2010, recipients of an Invalid's Benefit were obliged to meet the requirements of the Personal Development and Employment planning process if required to by their case manager.

From September 2010, these clients are required to meet the obligations of the employment planning process if required to by their case manager.

## **Numbers of clients receiving an Invalid's Benefit**

### **The number receiving an Invalid's Benefit remained relatively flat between 2010 and 2011**

This pattern (see table IB.1) reflected a combination of:

- a reduction in the number of grants of Invalid's Benefits between 2009/2010 and 2010/2011
- stable Invalid's Benefit cancellation numbers over the same period.

## Between 2007 and 2011, two-thirds of Invalid's Benefit recipients had a systemic or psychological condition

Of the Invalid's Benefit recipients between 2007 and 2011 (see table IB.1):

- 38% had systemic disorder
- 29% had a psychological or psychiatric condition.

Over the same period, another 13% of these clients had an intellectual disability.

**table IB.1: Incapacities of clients receiving an Invalid's Benefit**

Client incapacity at the end of June	2007	2008	2009	2010	2011
	Working-age clients receiving an Invalid's Benefit <sup>1</sup>				
Accident, trauma, entry of foreign bodies	5,262	4,932	4,331	4,015	3,806
Cancer	2,212	2,340	2,264	2,180	2,069
Congenital conditions	2,999	3,297	3,640	3,861	3,995
Disease <sup>2</sup>	520	635	725	821	827
Intellectual disability	11,005	11,028	11,110	11,041	10,933
Psychological or psychiatric conditions	21,354	23,294	24,328	24,968	25,309
Sensory disorders	2,090	2,267	2,345	2,415	2,403
Substance abuse	1,278	1,577	1,707	1,703	1,648
Systemic disorders <sup>3</sup>	29,990	32,704	33,008	33,013	32,338
Unspecified/ill-defined conditions <sup>4</sup>	591	805	1,086	1,365	1,508
<b>Total received by working-age clients</b>	<b>77,301</b>	<b>82,879</b>	<b>84,544</b>	<b>85,382</b>	<b>84,836</b>
	Other clients receiving an Invalid's Benefit <sup>1</sup>				
<b>Total received by other clients</b>	<b>1,776</b>	<b>2,318</b>	<b>2,614</b>	<b>3,031</b>	<b>3,298</b>
	All clients receiving an Invalid's Benefit <sup>1</sup>				
<b>Total received by all clients</b>	<b>79,077</b>	<b>85,197</b>	<b>87,158</b>	<b>88,413</b>	<b>88,134</b>

### Notes

1. The number of clients recorded in SWIFTT as receiving an Invalid's Benefit at the end of June.
2. Encompasses circulatory system diseases, infectious diseases and parasitic diseases.
3. Encompasses disorders of physiological systems (eg musculoskeletal systems, metabolic systems).
4. Includes incapacities not coded and ill-defined conditions.

## Nearly three-quarters of Invalid's Benefit recipients were aged 40–64 years

Of the working-age Invalid's Benefit recipients between 2007 and 2011:

- between 47% and 51% were aged 50–64 years
- 23% were aged 40–49 years.

## Proportions of working-age people receiving an Invalid's Benefit

### Relatively small numbers of working-age people are receiving an Invalid's Benefit

In 2010 and 2011, 3.1% of the working-age population were receiving an Invalid's Benefit. This followed a slight increase between 2007 and 2009 (from 3.0% to 3.2%).

The relative stability of this pattern, despite population growth, reflected the long-term nature of the conditions which resulted in clients being granted this benefit.

### During this period, older working-age people were more likely to be receiving an Invalid's Benefit

Between 2007 and 2011, the likelihood of working-age people receiving an Invalid's Benefit increased with age. This reflected both:

- the relationship between ageing and the incidence of permanent and severe health and disability conditions
- the increasing proportion of the population who were in the older age groups (population ageing).

See table OT.2 for trends since 1940 in the number of clients receiving an Invalid's Benefit.

## Grants of Invalid's Benefit

### The number of grants of Invalid's Benefit decreased between 2009/2010 and 2010/2011

This pattern (see table IB.2) largely reflected the impact of operational changes introduced in September 2007. One result of these changes was a decrease in transfers from Sickness Benefits to an Invalid's Benefit during 2010/2011.

### Nearly half of the clients granted an Invalid's Benefit had a systemic disorder

Of the clients granted an Invalid's Benefit between 2008/2009 and 2010/2011 (see table IB.2):

- 45% had a systemic disorder
- 26% had a psychological or psychiatric disorder.

**table IB.2: Incapacities of clients granted an Invalid's Benefit**

Client incapacity when benefit granted	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
	<b>Grants of Invalid's Benefit to working-age clients<sup>1</sup></b>				
Accident, trauma, entry of foreign bodies	814	706	455	479	459
Cancer	1,040	1,239	1,035	1,044	950
Congenital conditions	226	284	242	229	193
Disease <sup>2</sup>	97	159	128	136	110
Intellectual disability	363	163	251	198	166
Psychological or psychiatric conditions	2,772	4,076	2,938	2,639	2,300
Sensory disorders	222	306	260	268	216
Substance abuse	239	427	264	253	173
Systemic disorders <sup>3</sup>	5,001	7,300	5,051	4,780	4,308
Unspecified/ill-defined conditions <sup>4</sup>	300	347	400	494	428
<b>Total granted to working-age clients</b>	<b>11,074</b>	<b>15,007</b>	<b>11,024</b>	<b>10,520</b>	<b>9,303</b>
<b>Grants of Invalid's Benefit to other clients<sup>1</sup></b>					
<b>Total granted to other clients</b>	<b>884</b>	<b>1,344</b>	<b>1,094</b>	<b>1,079</b>	<b>1,018</b>
<b>Total grants of Invalid's Benefit<sup>1</sup></b>					
<b>Total granted</b>	<b>11,958</b>	<b>16,351</b>	<b>12,118</b>	<b>11,599</b>	<b>10,321</b>

## Notes

1. The number of successful Invalid's Benefit applications recorded in SWIFTT during years ended June.
2. Encompasses circulatory system diseases, infectious diseases and parasitic diseases.
3. Encompasses disorders of physiological systems (eg musculoskeletal systems, metabolic systems).
4. Includes incapacities not coded and ill-defined conditions.

### **Around three-fifths of the clients granted an Invalid's Benefit have transferred within the benefit system**

Sixty-two percent of the clients granted an Invalid's Benefit between 2008/2009 and 2010/2011 transferred within the benefit system. This compared with 69% in 2006/2007 and 2007/2008.

Between 2008/2009 and 2010/2011, the proportion of these clients who had not received a main benefit in the previous four years increased slightly (from 22% to 25%). This compares with 16% in 2006/2007 and 2007/2008.

## Cancellations of Invalid's Benefit

### The number of clients cancelling an Invalid's Benefit remained relatively stable between 2008/2009 and 2010/2011

This stabilisation (see table IB.3) reflected the slow growth in the same period in the number of people receiving an Invalid's Benefit.

The number of clients cancelling an Invalid's Benefit increased between 2007/2008 and 2008/2009. This increase reflected the ongoing impact of operational changes in the administration of the Invalid's Benefit.

### One in 10 clients cancelling an Invalid's Benefit in 2009/2010 and 2010/2011 entered paid work

This compared with 19% in 2007/2008 (see table IB.3).

The chief 'other' reason for the cancellations of this benefit was the death of the client.

**table IB.3: Reasons for cancelling an Invalid's Benefit**

Reason for cancellation	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
	<b>Cancellations of Invalid's Benefit by working-age clients<sup>1</sup></b>				
Obtained paid work	1,576	1,650	1,258	868	939
Other <sup>2</sup>	6,878	6,880	7,472	7,792	7,674
<b>Total cancelled by working-age clients</b>	<b>8,454</b>	<b>8,530</b>	<b>8,730</b>	<b>8,660</b>	<b>8,613</b>
<b>Cancellations of Invalid's Benefit by other clients<sup>1</sup></b>					
<b>Total cancelled by other clients</b>	<b>1,266</b>	<b>1,225</b>	<b>1,467</b>	<b>1,541</b>	<b>1,698</b>
<b>Cancellations of Invalid's Benefit by all clients<sup>1</sup></b>					
<b>Total cancellations</b>	<b>9,720</b>	<b>9,755</b>	<b>10,197</b>	<b>10,201</b>	<b>10,311</b>

#### Notes

1. The number of cancellations of Invalid's Benefit recorded in SWIFTT during years ended June.
2. These cancellations occurred for administrative reasons (eg to test ongoing eligibility or to change payment rates), because clients transferred to another benefit, or because clients moved out of the benefit system without taking up paid work. People may leave the benefit system without taking up work for a range of reasons, including entering full-time study, imprisonment, entering a new relationship, or leaving the country.

## Transfers from Invalid's Benefit

### The number of transfers from Invalid's Benefit decreased between 2009/2010 and 2010/2011

This decrease (see table IB.4) reflected falls in the number of transfers to:

- another Invalid's Benefit
- a pension or to another main benefit.

### Three-quarters of transfers from Invalid's Benefit were to another main benefit

In 2009/2010 and 2010/2011, 75% of the transfers from Invalid's Benefit were to other forms of assistance (see table IB.4). This compared with 53% in 2006/2007 and 2007/2008.

This reflected in large part the pattern in the number of clients transferring from an Invalid's Benefit to a Sickness Benefit.

A transfer within the same group of main benefits is recorded because the client's benefit was cancelled then resumed as part of reviewing the client's needs and entitlement to assistance.

**table IB.4: Transfers from Invalid's Benefit by working-age clients**

Type of transfer	Number of transfers from Invalid's Benefit by working-age clients <sup>1</sup>				
	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
Transferred to New Zealand Superannuation, pension or another type of main benefit	666	708	1,124	1,592	1,512
Transferred to another Invalid's Benefit	590	627	542	537	466
<b>Total transfers</b>	<b>1,256</b>	<b>1,335</b>	<b>1,666</b>	<b>2,129</b>	<b>1,978</b>

Note

1. The number of transfers from Invalid's Benefit recorded in SWIFTT during years ended June. The dates of these transfers reflected the dates at which a new benefit was granted, not the dates at which a former benefit was cancelled.

# Widow's Benefit

## Eligibility

A Widow's Benefit is available to a woman who has been widowed and:

- is caring for one or more dependent children
- was married<sup>2</sup>, and subsequently cared for dependent children for 15 years or more
- had one or more dependent children, and was married for a total of 15 years or more
- was married for five years or more, and became a widow after reaching 50 years of age, or
- is aged at least 50 years, was married for at least 10 years after marrying for the first time at least 15 years ago, and became a widow after reaching 40 years of age.

Income and residency tests apply.

## Work obligations

From September 2010, clients receiving a Widow's Benefit are obliged to meet the requirements of the employment planning process if required to by their case managers.

Between March 2003 and September 2010, clients receiving a Widow's Benefit were obliged to meet the requirements of the Personal Development and Employment planning process if required to by their case managers.

## Numbers receiving a Widow's Benefit

### The number receiving a Widow's Benefit remained relatively flat between 2009 and 2011

This pattern (see table WB.1) reflected the combined impact of the fluctuations between 2008/2009 and 2010/2011 in both the numbers of grants and cancellations of Widow's Benefits.

### Widow's Benefit recipients became less likely to have received their benefit for over four years

In 2011, 39% of working-age Widow's Benefit recipients had received their benefit for over four years (see table WB.1). This compared with 45% in 2007.

Thirty-nine percent of working-age Widow's Benefit recipients in 2011 had received their benefit for under two years, compared with 34% in 2007.

These changes reflect the increase in the number of grants of Widow's Benefit between 2008/2009 and 2009/2010. This in turn largely reflected the impact of the economic recession on work opportunities for older women.

---

2. 'Married' includes clients who were married, living as married, or in a civil union.

**table WB.1: Length of current spells receiving a Widow's Benefit**

Length of current spell to the end of June	2007	2008	2009	2010	2011
	<b>Working-age clients receiving a Widow's Benefit<sup>1</sup></b>				
Under 1 year	1,192	1,218	1,387	1,372	1,321
1–2 years	915	812	890	1,013	960
2–4 years	1,338	1,214	1,111	1,173	1,312
Over 4 years	2,842	2,559	2,432	2,343	2,247
<b>Total working-age clients</b>	<b>6,287</b>	<b>5,803</b>	<b>5,820</b>	<b>5,901</b>	<b>5,840</b>
<b>Other clients receiving a Widow's Benefit<sup>1</sup></b>					
<b>Total other clients</b>	<b>184</b>	<b>180</b>	<b>214</b>	<b>258</b>	<b>355</b>
<b>All clients receiving a Widow's Benefit<sup>1</sup></b>					
<b>Total</b>	<b>6,471</b>	<b>5,983</b>	<b>6,034</b>	<b>6,159</b>	<b>6,195</b>

Note

1. The number of clients recorded in SWIFTT as receiving a Widow's Benefit at the end of June.

## Proportions of working-age women receiving a Widow's Benefit

### Very small numbers of working-age women were receiving a Widow's Benefit

Between 2007 and 2011, 0.5% or less of working-age women were receiving a Widow's Benefit.

Over the same period, women aged 50–64 years were significantly more likely than younger women to receive a Widow's Benefit. This largely reflected the eligibility criteria for a Widow's Benefit.

See table OT.2 for trends since 1940 in the number of clients receiving a Widow's Benefit.

## Grants of Widow's Benefit

### The number of grants of Widow's Benefit remained relatively flat between 2008/2009 and 2010/2011

This pattern (see table WB.2) reflected the ongoing impact of the economic recession on employment opportunities for older women.

### Nearly two-thirds of clients granted a Widow's Benefit had not received a main benefit in the previous four years

Sixty-five percent of clients granted this benefit in 2009/2010 and 2010/2011 had not received a main benefit in the previous four years (see table WB.2). This compared with 61% in 2007/2008.



This increase reflected the impact of recent changes in economic conditions on the work opportunities for older women who had previously remained independent of the benefit system.

**table WB.2: Periods since clients last received any main benefit**

Period since client last received any main benefit	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
	<b>Grants of Widow's Benefit to working-age clients<sup>1</sup></b>				
None (clients transferring within the benefit system) <sup>2</sup>	152	176	154	157	153
Under 1 year	262	283	282	244	246
1–2 years	89	78	105	93	83
2–4 years	101	104	111	117	93
Have not received a main benefit in previous 4 years	989	982	1,124	1,145	1,112
<b>Total grants to working-age clients</b>	<b>1,593</b>	<b>1,623</b>	<b>1,776</b>	<b>1,756</b>	<b>1,687</b>
<b>Grants of Widow's Benefit to other clients<sup>1</sup></b>					
<b>Total grants to other clients</b>	<b>39</b>	<b>53</b>	<b>70</b>	<b>101</b>	<b>106</b>
<b>Total grants of Widow's Benefit<sup>1</sup></b>					
<b>Total</b>	<b>1,632</b>	<b>1,676</b>	<b>1,846</b>	<b>1,857</b>	<b>1,793</b>

#### Notes

1. The number of successful applications for Widow's Benefit recorded in SWIFTT during years ended June.
2. Includes transfers from a different type of benefit or from the same type of benefit. Transfers from the same type of benefit occur when benefits are cancelled and restarted for administrative reasons (eg a review of entitlement).

## Cancellations of Widow's Benefit

### The number of cancellations of Widow's Benefit fluctuated between 2008/2009 and 2010/2011

This pattern (see table WB.3) reflected the pattern of changes in cancellations by clients entering paid work. This in turn reflected the impact of the recession on employment opportunities for older women.

### Around one-quarter of clients cancelling a Widow's Benefit entered paid work

Between 25% and 27% of the working-age clients cancelling a Widow's Benefit between 2006/2007 and 2010/2011 entered paid work (see table WB.3).

The main reason for 'other' cancellations of Widow's Benefit was clients transferring from a Widow's Benefit to New Zealand Superannuation.

**table WB.3: Reasons for cancelling a Widow's Benefit**

Reason for cancellation	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
	<b>Cancellations of Widow's Benefit by working-age clients<sup>1</sup></b>				
Obtained paid work	516	490	412	348	375
Other <sup>2</sup>	1,480	1,342	1,106	1,000	1,051
<b>Total cancelled by working-age clients</b>	<b>1,996</b>	<b>1,832</b>	<b>1,518</b>	<b>1,348</b>	<b>1,426</b>
<b>Cancellations of Widow's Benefit by other clients<sup>1</sup></b>					
<b>Total cancelled by other clients</b>	<b>353</b>	<b>304</b>	<b>336</b>	<b>328</b>	<b>337</b>
<b>Cancellations of Widow's Benefit by all clients<sup>1</sup></b>					
<b>Total</b>	<b>2,349</b>	<b>2,136</b>	<b>1,854</b>	<b>1,676</b>	<b>1,763</b>

## Notes

1. The number of cancellations of Widow's Benefit recorded in SWIFTT during years ended June.
2. These cancellations occurred for administrative reasons (eg to test ongoing eligibility or to change payment rates), because clients transferred to another benefit, or because clients moved out of the benefit system without taking up paid work. People may leave the benefit system without taking up work for a range of reasons, including entering full-time study, imprisonment, entering a new relationship, or leaving the country.

## Transfers from Widow's Benefit

### The number of transfers from Widow's Benefit remained relatively flat between 2009/2010 and 2010/2011

In 2009/2010 and 2010/2011, there were between 145 and 160 transfers a year from a Widow's Benefit, including transfers to another Widow's Benefit<sup>3</sup>. This compares with between 240 and 280 a year in 2006/2007 and 2007/2008.

Between 2006/2007 and 2010/2011, almost all transfers from a Widow's Benefit were to other main benefits. The majority of those transfers were to an Invalid's Benefit, with a smaller number to Domestic Purposes Benefits (usually a Domestic Purposes Benefit – Women Alone).

3. A transfer within the same group of benefits may be recorded because the client's benefit was cancelled then resumed as part of reviewing the client's needs and entitlement to assistance.

# Emergency Benefit

## Eligibility

An Emergency Benefit is available to people who are ineligible to receive any other main benefit, but are:

- suffering hardship
- unable to earn enough income to support themselves (and any family).

Decisions about whether a client is eligible to receive an Emergency Benefit consider:

- why the client cannot receive another benefit (eg medical requirements, residency requirements)
- whether the client meets the hardship criteria (ie low cash assets and no income or means of supporting themselves or a family)
- whether the client has contributed to their situation in any way (eg by not looking for other work in the off-season from their main employment)
- whether the client could change their position to ease their hardship (eg look for work, change the focus of their business).

Residency criteria for an Invalid's Benefit and for New Zealand Superannuation were reduced from 1 July 2007, to match those for the other main benefits. This resulted in an increase in the proportion of those receiving an Emergency Benefit who were working-age people.

Income and asset tests apply.

## Numbers receiving an Emergency Benefit

### **The number of clients receiving an Emergency Benefit decreased between 2009 and 2011**

This decrease (see table EB.1):

- slowed between 2010 and 2011
- was apparent both among working-age clients and among other clients.

This decrease reflected, at least in part, the ongoing impact of a change from July 2007 in the residency criteria for some other benefits and for New Zealand Superannuation.

Many of the clients receiving an Emergency Benefit did so because they were not residentially qualified to receive another pension or main benefit.

### Over a third of Emergency Benefit recipients were of working age

In 2011, 37% of Emergency Benefit recipients were of working age (see table EB.1). This compared with 32% in 2008. Virtually all non-working-age clients receiving an Emergency Benefit were aged 65 years or over but not residentially qualified for New Zealand Superannuation.

### Emergency Benefit recipients are more likely to be aged under 40 years

In 2011, 58% of working-age Emergency Benefit recipients were aged 18–40 years (see table EB.1). This compared with 37% in 2007.

There was a corresponding decrease in the proportion of working-age clients who were aged 50–64 years (from 44% to 25%).

**table EB.1: Ages of clients receiving an Emergency Benefit**

Age of client at the end of June	2007	2008	2009	2010	2011
	<b>Working-age clients receiving an Emergency Benefit<sup>1</sup></b>				
18–24 years	390	368	476	508	586
25–39 years	866	783	900	860	932
40–49 years	659	442	474	466	432
50–59 years	853	540	450	389	352
60–64 years	635	506	419	334	301
<b>Total working-age clients</b>	<b>3,403</b>	<b>2,639</b>	<b>2,719</b>	<b>2,557</b>	<b>2,603</b>
<b>Other clients receiving an Emergency Benefit<sup>1</sup></b>					
<b>Total other clients</b>	<b>5,995</b>	<b>5,636</b>	<b>5,344</b>	<b>4,832</b>	<b>4,388</b>
<b>All clients receiving an Emergency Benefit<sup>1</sup></b>					
<b>Total</b>	<b>9,398</b>	<b>8,275</b>	<b>8,063</b>	<b>7,389</b>	<b>6,991</b>

Note

1. The number of clients in each age group recorded in SWIFTT as receiving an Emergency Benefit at the end of June.

### Emergency Benefit recipients became more likely to have received their benefit for less than six months

In 2011, 54% of working-age Emergency Benefit recipients had received their benefit for less than six months, compared with 30% in 2008. This increase largely reflected the increased numbers of Emergency Benefits granted to working-age clients.

There was a corresponding decrease in the proportion of these clients who had received their benefit for over one year (from 56% to 34%).

## Proportions of working-age people receiving an Emergency Benefit

### Very small numbers of working-age people were receiving an Emergency Benefit

Between 2007 and 2011, 0.1% or less of working-age people were receiving an Emergency Benefit.

### Over this period, older people became slightly less likely to be receiving an Emergency Benefit

Between 2007 and 2011, the proportions of 60–64 year olds and of 50–59 year olds receiving an Emergency Benefit each declined. This largely reflected changes in the residency criteria for New Zealand Superannuation and Invalid's Benefits introduced from 2007, as outlined above.

## Grants of Emergency Benefit

### The number of grants of Emergency Benefit increased between 2007/2008 and 2010/2011

This increase (see table EB.2):

- reflected the combined impact of:
  - reduced employment opportunities as a result of the recession
  - changes to residency criteria for the other main benefits
- was most apparent among working-age clients.

### Grants of Emergency Benefit became more likely to be to working-age clients

Ninety-one percent of the grants of Emergency Benefit in 2010/2011 were to working-age clients (see table EB.2). This compared with 79% in 2007/2008.

Virtually all of the grants to non-working-age clients were granted to clients aged 65 years or over.

### Nearly two-thirds of clients granted an Emergency Benefit were aged under 40 years

Sixty-three percent of working-age clients granted an Emergency Benefit between 2008/2009 and 2010/2011 were aged under 40 years. This includes 27% aged 18–24 years. Over the same period, 17% of working-age clients granted an Emergency Benefit were aged 50–64 years.

**table EB.2: Ages of clients granted an Emergency Benefit**

Age of client when benefit granted	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
	<b>Grants of Emergency Benefit to working-age clients<sup>1</sup></b>				
18–24 years	1,406	1,280	1,724	2,389	2,591
25–39 years	2,554	2,201	2,452	3,051	3,314
40–49 years	1,527	1,124	1,270	1,636	1,677
50–59 years	1,064	736	807	1,082	1,206
60–64 years	464	340	360	421	449
<b>Total granted to working-age clients</b>	<b>7,015</b>	<b>5,681</b>	<b>6,613</b>	<b>8,579</b>	<b>9,237</b>
<b>Grants of Emergency Benefit to other clients<sup>1</sup></b>					
<b>Total granted to other clients</b>	<b>1,575</b>	<b>1,531</b>	<b>1,361</b>	<b>1,040</b>	<b>913</b>
<b>Total grants of Emergency Benefit<sup>1</sup></b>					
<b>Total</b>	<b>8,590</b>	<b>7,212</b>	<b>7,974</b>	<b>9,619</b>	<b>10,150</b>

Note

1. The number of successful applications for Emergency Benefit recorded in SWIFTT in years ended June.

## Cancellations of Emergency Benefit

### The number of cancellations of Emergency Benefit increased between 2008/2009 and 2010/2011

This increase (see table EB.3):

- was primarily among working-age clients
- slowed in 2010/2011
- largely reflected an increase in the number of working-age clients cancelling an Emergency Benefit to return to work.

### Half of the working-age clients cancelling an Emergency Benefit entered paid work

Between 2007/2008 and 2010/2011, between 48% and 50% of working-age clients cancelling an Emergency Benefit entered paid work (see table EB.3).

Over this period, changes in the number of clients cancelling Emergency Benefits to enter paid work drove changes in the total number of clients cancelling Emergency Benefits. This reflected in part the impact of improving economic conditions on work opportunities available for people receiving main benefits.

**table EB.3: Reasons for cancelling an Emergency Benefit**

Reason for cancellation	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
<b>Cancellations of Emergency Benefit by working-age clients<sup>1</sup></b>					
Obtained paid work	3,974	3,100	2,986	4,128	4,579
Other <sup>2</sup>	3,324	3,368	3,258	4,477	4,570
<b>Total cancelled by working-age clients</b>	<b>7,298</b>	<b>6,468</b>	<b>6,244</b>	<b>8,605</b>	<b>9,149</b>
<b>Cancellations of Emergency Benefit by other clients<sup>1</sup></b>					
<b>Total cancelled by other clients</b>	<b>1,692</b>	<b>1,906</b>	<b>1,765</b>	<b>1,611</b>	<b>1,363</b>
<b>Cancellations of Emergency Benefit by all clients<sup>1</sup></b>					
<b>Total cancelled by all clients</b>	<b>8,990</b>	<b>8,374</b>	<b>8,009</b>	<b>10,216</b>	<b>10,512</b>

## Notes

1. The number of cancellations of Emergency Benefit recorded in SWIFTT during years ended June.
2. These cancellations occurred for administrative reasons (eg to test ongoing eligibility or to change payment rates), because clients transferred to another benefit, or because clients moved out of the benefit system without taking up paid work. People may leave the benefit system without taking up work for a range of reasons, including entering full-time study, imprisonment, entering a new relationship, or leaving the country.

**Most clients cancelling an Emergency Benefit were of working age**

Eighty-seven percent of clients cancelling an Emergency Benefit in 2010/2011 were of working age. This compared with 77% in 2007/2008.

This increase reflected, at least in part, increases in the proportion of Emergency Benefit recipients who were of working age.

Of the clients not of working age who cancelled an Emergency Benefit during this period, virtually all were aged 65 years or over. The majority of these clients cancelled their benefit because they:

- had left New Zealand, or
- transferred to another pension or main benefit (usually to another main benefit).

**Transfers from Emergency Benefit****Transfers from Emergency Benefit decreased between 2009/2010 and 2010/2011**

This decrease (see table EB.4) reflected the increased movement of clients off an Emergency Benefit into paid work as economic and labour market conditions improved.

**Almost all transfers from Emergency Benefit were to other main benefits**

Between 2006/2007 and 2010/2011, almost all (between 96% and 98%) of these transfers were to other forms of assistance (see table EB.4).

Of the transfers between 2009/2010 and 2010/2011 from Emergency Benefit to other forms of assistance:

- 57% were to Unemployment Benefits
- 17% were to Sickness Benefits
- 16% were to Domestic Purposes Benefits.

A transfer within the same group of main benefits is recorded because the client's benefit was cancelled then resumed as part of reviewing the client's needs and entitlement to assistance.

**table EB.4: Transfers from Emergency Benefit by working-age clients**

Type of transfer	Number of working-age clients transferring from Emergency Benefit <sup>1</sup>				
	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
Transferred to New Zealand Superannuation, pension or another type of main benefit	1,475	1,749	1,504	2,006	1,814
Transferred to another Emergency Benefit	69	65	57	76	41
<b>Total transfers</b>	<b>1,544</b>	<b>1,814</b>	<b>1,561</b>	<b>2,082</b>	<b>1,855</b>

Note

1. The number of administrative transfers from Emergency Benefits recorded in SWIFTT during years ended June. The dates of these transfers reflected the dates at which a new benefit was granted, not the dates at which a former benefit was cancelled.



# **Supplementary benefits**

# Background

## The purpose of supplementary benefits

Supplementary benefits are available to help meet specific costs that cannot be met from a client's usual income or from other sources. Costs that may be met by supplementary benefits include:

- accommodation costs
- childcare costs
- some training costs
- health-related or medical-related costs.

Most supplementary benefits are paid on an ongoing basis. Supplementary benefits can also be paid:

- for short periods in response to a specific need (eg childcare costs during school holidays), or
- as one-off lump sums.

## Who can receive supplementary benefits?

Under the Social Security Act 1964, Work and Income delivers supplementary benefits to:

- people receiving a pension or main benefit
- other people with low incomes and few assets
- people with particular needs (eg costs arising from a health issue or a medical condition).

These benefits are designed to help clients having difficulty meeting the specific costs covered by supplementary benefits from their usual incomes.

The eligibility for supplementary benefits usually depends on income and assets.

## What if people need help with more than one of the costs covered by supplementary benefits?

People can receive more than one supplementary benefit. Each supplementary benefit is aimed at helping with a specific cost.

Payments of some supplementary benefits can cover more than one person. For example, a client may receive payments of the Childcare Subsidy that cover more than one child.

For supplementary benefits where this is possible, this report shows information on the total number of people covered by the payments received.

# Payment rates for supplementary benefits

## Maximum payments available

Table SP.1 shows the maximum weekly rates for a selection of the most commonly paid supplementary benefits. The amounts actually received may differ from these, depending on the type of supplementary benefit, the costs to be covered and the client's income.

**table SP.1: Weekly payment rates for selected supplementary benefits (payable from 1 April 2011)**

<b>Supplementary benefit<sup>1</sup></b>	<b>Status</b>	<b>Maximum weekly payment rate<sup>2</sup></b>
Accommodation Supplement <sup>3</sup>	Living in North and Central Auckland	\$225.00
	Living in other high-cost housing areas <sup>4</sup>	\$165.00
	Living in other main provincial centres <sup>5</sup>	\$120.00
	Living elsewhere in New Zealand	\$75.00
Training Incentive Allowance	Maximum weekly rate	\$102.14
	(Maximum per year \$4,085.60)	
Disability Allowance	Maximum amount	\$59.12
Child Disability Allowance	Fixed rate	\$44.55
Childcare Subsidy <sup>6</sup>	Maximum amount	\$192.00
Unsupported Child's Benefit and Orphan's Benefit (per child)	Child is aged 14 years or over	\$195.96
	Child is aged 10–13 years	\$179.25
	Child is aged 5–9 years	\$162.43
	Child is aged under 5 years	\$139.97
Working for Families Tax Credit <sup>7,8</sup>	First child or only child 15 years or under	\$88.00
	Second or subsequent child 0–12 years	\$69.00
	Second or subsequent child 13–15 years	\$77.00
	First child or only child 16 years or over	\$101.00
	Second or subsequent child 16 years or over	\$99.00

## Notes

1. This is a selection of the more commonly paid types of supplementary benefit. These benefits may be received in combination with a pension or a main benefit and may also be available to low-income earners.
2. All rates are payable from 1 April 2011.
3. The maximum amounts of Accommodation Supplement available are subject to household circumstances and to income and asset tests. The amounts shown are payments per family of three or more people (eg two adults and one child, one adult and two children).
4. Includes South and West Auckland, Wellington, Tauranga, Nelson, Queenstown, Wanaka and Arrowtown.
5. Includes Christchurch, Hamilton, Hastings, Napier, Palmerston North and Rotorua.
6. The maximum amount shown is for the maximum number of subsidised hours (50) at the highest level of subsidy. The actual rate of subsidy received depends on the hours subsidised and income.
7. Administered by Inland Revenue but payments to Work and Income clients may be made through Work and Income. Before Working for Families, Inland Revenue delivered Family Support to low-income families with children.
8. Payments under this programme are not included in the expenditure reported in this publication. See the Inland Revenue Annual Report for information on expenditure under this programme.

# Accommodation Supplement

## Costs covered

An Accommodation Supplement can be used to help pay rent, board or the costs of home ownership. Accommodation Supplement replaced Accommodation Benefit on 1 July 1993.

Housing costs must be over a stated minimum, which depends on where the client lives. An Accommodation Supplement meets 70% of accommodation-related costs over an entry threshold, up to a maximum that varies according to region and household size. For boarders, 62% of their boarding costs are considered accommodation-related costs.

## Eligibility

An Accommodation Supplement is available to help people with limited incomes and limited cash assets to meet their accommodation costs.

Tenants of Housing New Zealand Corporation (HNZC) properties receive a rental subsidy from HNZC and are not eligible for an Accommodation Supplement.

Income and asset tests must be met.

## Recent changes in the administration of Accommodation Supplement

From October 2004, the Working for Families package:

- increased the income limits for Accommodation Supplement
- changed the Accommodation Supplement abatement regime.

Under these abatement changes, clients receiving an Accommodation Supplement and earning additional income no longer have their Accommodation Supplement abated while they remain on a benefit. Once clients cancel their main benefit to enter paid work, their Accommodation Supplement is abated to reflect their incomes.

From 1 April 2005:

- the number of Accommodation Supplement areas was increased from three to four
- the maximum level of supplement available in some areas was increased.

## Numbers of clients receiving an Accommodation Supplement

### The number receiving an Accommodation Supplement decreased between 2010 and 2011

This decrease (see table AS.1) largely reflected a reduction in the use of main benefits over the same period.

### Between 2009 and 2011, one in four recipients of Accommodation Supplement were being paid a Domestic Purposes Benefit

Of the Accommodation Supplement recipients over this period (see table AS.1):

- 26% were receiving a Domestic Purposes Benefit
- 18% were working families
- 14% were receiving Unemployment Benefits, and similar numbers were receiving each of Sickness Benefits and Invalid's Benefit.

**table AS.1: Financial assistance paid to Accommodation Supplement recipients**

Financial assistance paid at the end of June	Clients receiving an Accommodation Supplement <sup>1</sup>				
	2007	2008	2009	2010	2011
Unemployment Benefits	15,674	12,471	38,846	47,994	42,729
Domestic Purposes Benefits	68,459	68,904	75,916	82,245	81,218
Sickness Benefits	34,113	33,522	40,403	44,114	43,373
Invalid's Benefit	38,265	41,755	43,345	44,037	42,630
Other main benefits <sup>2</sup>	13,622	13,092	14,622	14,070	13,117
New Zealand Superannuation or Veterans' Pension	21,606	22,800	24,523	26,458	27,711
None of the above assistance <sup>3</sup>	51,694	52,966	55,733	58,141	57,773
<b>Total</b>	<b>243,433</b>	<b>245,510</b>	<b>293,388</b>	<b>317,059</b>	<b>308,551</b>

#### Notes

1. The number of clients recorded in SWIFTT as receiving an Accommodation Supplement at the end of June.
2. Comprises Unemployment Benefit – Training, Unemployment Benefit – Hardship – Training, Unemployment Benefit – Student Hardship, Independent Youth Benefit, Widow's Benefit and Emergency Benefit.
3. Includes clients receiving other supplementary benefits, an Unsupported Child's Benefit or an Orphan's Benefit.

### **Accommodation Supplement recipients became slightly more likely to be renting privately**

Between 2009 and 2011, the proportion of Accommodation Supplement recipients renting privately increased from 59% to 63%. Over the same period:

- between 20% and 23% were boarding
- 15% were receiving help with mortgage expenses.

## **Proportions of the population receiving an Accommodation Supplement**

### **People aged 18 years or over became slightly less likely to be receiving an Accommodation Supplement**

Between 2010 and 2011, the proportion of people aged 18 years or over receiving an Accommodation Supplement decreased slightly (from 9.6% to 9.2%). This followed an increase between 2010 and 2011, from 7.6% to 9.6%.

This pattern reflected a combination of:

- changes in the numbers of clients receiving main benefits
- changes in the use of Accommodation Supplement by working families.

### **Between 2007 and 2011, younger people were more likely than older people to be receiving an Accommodation Supplement**

During this period, 18–24 year olds and 25–39 year olds were more likely than older age groups to be receiving an Accommodation Supplement.

These patterns reflected, at least in part, the increased likelihood that younger people:

- were living on low incomes
- did not own their own homes
- had dependent children who were covered by a Working for Families Tax Credit.

## **Grants of Accommodation Supplement**

### **The number of grants of Accommodation Supplement decreased between 2009/2010 and 2010/2011**

This decrease (see table AS.2) reflected the reduction in the number of clients receiving a main benefit.

## Around a third of clients granted an Accommodation Supplement were receiving an Unemployment Benefit

Between 2008/2009 and 2010/2011, between 31% and 34% of clients granted an Accommodation Supplement were being paid an Unemployment Benefit. This compared with 21% in 2007/2008.

Of those granted an Accommodation Supplement between 2008/2009 and 2010/2011:

- 19% were in working families
- 17% were receiving a Sickness Benefit
- 14% were receiving a Domestic Purposes Benefit.

**table AS.2: Financial assistance paid to clients granted an Accommodation Supplement**

Financial assistance received when Accommodation Supplement granted	Grants of Accommodation Supplement <sup>1</sup>				
	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
Unemployment Benefits	52,111	44,317	81,432	96,452	90,181
Domestic Purposes Benefits	31,161	33,476	38,510	37,829	35,144
Sickness Benefits	39,647	40,822	46,750	47,068	44,310
Invalid's Benefit	10,313	12,790	10,408	9,745	8,880
Other main benefits <sup>2</sup>	26,793	23,602	27,947	32,536	37,308
New Zealand Superannuation or Veterans' Pension	5,752	6,118	6,798	6,858	7,212
None of the above assistance <sup>3</sup>	48,442	46,749	50,516	54,266	53,909
<b>Total</b>	<b>214,219</b>	<b>207,874</b>	<b>262,361</b>	<b>284,754</b>	<b>276,944</b>

### Notes

1. The number of successful applications for Accommodation Supplements recorded in SWIFTT during years ended June.
2. Comprises Unemployment Benefit – Training, Unemployment Benefit – Hardship – Training, Unemployment Benefit – Student Hardship, Independent Youth Benefit, Widow's Benefit and Emergency Benefit.
3. Includes clients receiving other supplementary benefits, an Unsupported Child's Benefit or an Orphan's Benefit.



# Away from Home Allowance

## Costs covered

An Away from Home Allowance provides help with accommodation costs for the caregivers of dependent 16 and 17 year olds who move away from home to undertake:

- tertiary study, or
- employment-related training.

The amount of Away from Home Allowance payable is the difference between:

- the threshold for rental or boarding costs that applies to a single 18 year old receiving an Unemployment Benefit
- the maximum accommodation costs funded (which depends on where the young person is living).

All accommodation costs must be verified when applying for an Away from Home Allowance.

## Eligibility

For an Away from Home Allowance to be paid, the client must be:

- the principal caregiver for the young person
- entitled to receive Working for Family Tax Credits for the young person.

In addition, the young person must be living away from home to undertake a course that (if they were old enough to receive one) would qualify them for either:

- a Student Allowance, or
- an Unemployment Benefit.

The allowance is income tested, but is non-taxable and is not asset tested.

## Numbers receiving an Away from Home Allowance

### **The number of clients receiving an Away from Home Allowance increased between 2010 and 2011**

Between 2010 and 2011, the number of clients receiving an Away from Home Allowance increased from 41 to 57.

**Between 2008 and 2011, recipients of an Away from Home Allowance became more likely to be receiving a Domestic Purposes Benefit**

Thirty percent of clients receiving an Away from Home Allowance in 2011 were receiving a Domestic Purposes Benefit, compared with 12% in 2008. There was a corresponding decrease in the proportion of recipients of these allowances who were in working families (from 75% to 60%).

## **Grants of Away from Home Allowance**

**The number of grants of this allowance increased between 2009/2010 and 2010/2011**

The number of clients granted an Away from Home Allowance increased from 99 in 2009/2010 to 111 in 2010/2011.

**Between 2007/2008 and 2010/2011, clients granted an allowance became slightly more likely to be receiving a Domestic Purposes Benefit**

Thirty-one percent of clients granted an Away from Home Allowance in 2010/2011 were receiving a Domestic Purposes Benefit, compared with 18% in 2007/2008. There was a corresponding decrease in the proportion of these clients who were from working families (from 69% to 58%).

# Unsupported Child's Benefit and Orphan's Benefit

## Costs covered

These benefits are paid as a contribution toward the costs of caring for a child. For these benefits to be paid, the child must be being cared for:

- for at least 12 months
- by someone who is not their natural parent, adoptive parent or step-parent.

## Eligibility

To receive either of these benefits, the caregivers must be:

- aged 18 years or over
- available to care for the child for at least 12 months.

An Unsupported Child's Benefit is available to the principal caregiver of a child whose natural, adoptive or step-parents are, because of a family breakdown, unable to:

- care for the child, or
- provide fully for the child's support.

An Orphan's Benefit is available to the principal caregiver of a child whose natural or adoptive parents cannot support the child because they:

- are deceased
- suffer from a serious long-term illness or incapacity that means they cannot care for the child, or
- cannot be found.

No breakdown in the child's family is necessary for an Orphan's Benefit to be payable.

## Residency and income tests

Residency tests apply to these benefits.

The caregiver receiving the benefit is not income tested. These benefits are income tested on income the child receives other than their personal earnings.

These benefits are not taxable, and the child for whom the benefit is paid is not work tested.

## Numbers receiving an Unsupported Child's Benefit or an Orphan's Benefit

### Numbers receiving Unsupported Child's Benefits and Orphan's Benefits remained relatively unchanged between 2010 and 2011

This pattern (see table UO.1) reflected a combination of:

- a reduction between 2009/2010 and 2010/2011 in the number of grants of these benefits
- children leaving care as they age.

### Around half of the clients receiving these benefits were working families

Fifty-four percent of clients receiving these benefits during this period were in working families (see table UO.1). Thirteen percent were receiving a Domestic Purposes Benefit and a similar number were receiving New Zealand Superannuation.

**table UO.1: Financial assistance paid to clients receiving an Unsupported Child's Benefit or an Orphan's Benefit**

Financial assistance paid at the end of June	Clients receiving an Unsupported Child's Benefit or Orphan's Benefit <sup>1</sup>				
	2007	2008	2009	2010	2011
Unemployment Benefits	145	97	161	232	247
Domestic Purposes Benefits	995	1,030	1,083	1,229	1,213
Sickness Benefits	369	311	319	415	376
Invalid's Benefit	0	0	0	0	0
Other main benefits <sup>2</sup>	1,077	1,046	1,049	1,032	960
New Zealand Superannuation or Veterans' Pension	929	983	1,018	1,092	1,148
None of the above assistance <sup>3</sup>	4,072	4,306	4,404	4,586	4,521
<b>Total</b>	<b>7,587</b>	<b>7,773</b>	<b>8,034</b>	<b>8,586</b>	<b>8,465</b>

#### Notes

1. The number recorded in SWIFTT as receiving an Unsupported Child's Benefit or an Orphan's Benefit at the end of June.
2. Comprises Unemployment Benefit – Training, Unemployment Benefit – Hardship – Training, Unemployment Benefit – Student Hardship, Independent Youth Benefit, Widow's Benefit and Emergency Benefit.
3. Includes clients receiving supplementary benefits.

### Changes in numbers receiving these benefits reflected changes in numbers receiving Unsupported Child's Benefits

The number of clients receiving an Orphan's Benefit fluctuated between 2007 and 2011, but remained low.

## Numbers of children for whom an Unsupported Child's Benefit or an Orphan's Benefit is paid

### Note – clients may receive payments of these benefits for more than one child

This means the numbers of children for whom an Unsupported Child's Benefit or an Orphan's Benefit was paid may not equal the number of clients receiving an Unsupported Child's Benefit or an Orphan's Benefit at the same date.

### The number of children assisted by an Unsupported Child's Benefit or an Orphan's Benefit remained relatively unchanged between 2010 and 2011

This pattern (see table UO.2) reflected the patterns in the numbers of clients receiving these benefits.

### Most of the children assisted by these benefits were aged under 14 years

Sixty-nine percent of the children assisted by these benefits between 2007 and 2011 were aged under 14 years (see table UO.2). This included:

- 27% who were aged 10–13 years
- 18% who were aged under 6 years.

**table UO.2: Ages of children assisted by an Unsupported Child's Benefit or an Orphan's Benefit**

Age of child at the end of June	Children assisted by an Unsupported Child's Benefit or Orphan's Benefit <sup>1,2</sup>				
	2007	2008	2009	2010	2011
0–5 years	1,855	1,974	2,121	2,225	2,271
6–9 years	2,372	2,471	2,491	2,691	2,754
10–13 years	2,929	3,002	3,070	3,180	3,141
14–17 years	3,127	3,121	3,279	3,717	3,569
18 years or over	121	104	128	132	164
<b>Total</b>	<b>10,404</b>	<b>10,672</b>	<b>11,089</b>	<b>11,945</b>	<b>11,899</b>

#### Notes

1. The number of children recorded in SWIFTT as being assisted by an Unsupported Child's Benefit or an Orphan's Benefit at the end of June.
2. The number of children for whom an Unsupported Child's Benefit or an Orphan's Benefit was paid at the end of June may not equal the number of clients receiving an Unsupported Child's Benefit or an Orphan's Benefit at the same date. This is because the same client may receive these benefits for more than one child.

## **Proportions of children assisted by an Unsupported Child's Benefit or an Orphan's Benefit**

### **Very small numbers of children aged under 18 years were assisted by an Unsupported Child's Benefit or an Orphan's Benefit**

Between 2007 and 2011, around 1.0% of children aged under 18 years were assisted by one of these benefits.

### **Children aged under 5 years were less likely than older children to be assisted by one of these benefits**

Between 2007 and 2011, around 0.5% of children under 5 years were assisted by one of these benefits, compared with around 1.0% of older children.

See table OT.2 for trends since 1940 in the number of people receiving an Unsupported Child's Benefit or an Orphan's Benefit.

## **Grants of Unsupported Child's Benefit and Orphan's Benefit**

### **The number of grants of these benefits decreased between 2009/2010 and 2010/2011**

This decrease (see table UO.3) reflected at least in part a decrease in the population of children aged under 18 years.

### **A small majority of clients granted these benefits had a dependent child aged under 14 years**

Fifty-four percent of clients granted these benefits in 2010/2011 had at least one dependent child aged under 14 years (see table UO.3). This compared to 53% in 2009/2010 and 56% between 2005/2006 and 2008/2009.

**table UO.3: Ages of youngest dependent children with caregivers granted an Unsupported Child's Benefit or an Orphan's Benefit**

Age of youngest dependent child when benefit granted	Grants of Unsupported Child's Benefit and Orphan's Benefit <sup>1</sup>				
	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
0–5 years	727	790	811	803	773
6–9 years	358	435	382	382	294
10–13 years	646	792	679	653	476
14–17 years	1,346	1,605	1,453	1,621	1,323
18 years or over	5	15	2	6	4
Not applicable <sup>2</sup>	11	11	7	9	7
<b>Total</b>	<b>3,093</b>	<b>3,648</b>	<b>3,334</b>	<b>3,474</b>	<b>2,877</b>

## Notes

1. The number of successful applications for an Unsupported Child's Benefit or Orphan's Benefit recorded in SWIFTT during years ended June.
2. These benefits were granted at a nil rate of payment until the circumstances of the children in respect of whom the benefits were to be paid had been clarified.

# Childcare assistance

Childcare assistance available from Work and Income comprises:

- Childcare Subsidy
- OSCAR (Out of School Care and Recreation) Subsidy.

## Childcare Subsidy

### Costs covered

The Childcare Subsidy programme helps with the costs of childcare faced by:

- working families
- families with a child or children who is/are seriously disabled or ill.

People can receive a Childcare Subsidy for up to 50 hours a week if:

- they are in employment, in training, or participating in an activity approved by Work and Income
- they have a disability or serious illness, or their child has a disability or serious illness.

Other people can receive a Childcare Subsidy for up to nine hours a week.

The Childcare Subsidy:

- is paid directly to the childcare provider
- provides help with the cost of:
  - licensed childcare
  - family day care
  - home-based care
  - care in chartered te kōhanga reo.

A Childcare Subsidy cannot be paid for the hours covered by the free early childhood education hours introduced from July 2007. From 1 July 2007, all children aged 3–5 years were entitled to 20 hours' free early childhood education a week (a maximum of 6 hours a day).

A Childcare Subsidy can, however, be used:

- for additional hours, or
- instead of the free early childhood education hours.

The combined total of hours covered by the free early childhood education hours and the Childcare Subsidy must not exceed the client's maximum entitlement to subsidised hours.



## Eligibility

A Childcare Subsidy is available for children aged:

- under 5 years
- between 5 and 6 years if the caregiver also receives a Child Disability Allowance for their child.

The Childcare Subsidy is income tested. The income limits below which families could be eligible for a Childcare Subsidy were raised in October 2004 and in October 2005 under the Working for Families package. These income limits were raised again in September 2010, with the introduction of the Future Focus package.

## Note – these statistics show the number of children for whom a Childcare Subsidy was paid

Information in this section shows the number of children for whom a Childcare Subsidy was paid.

This information may differ from other published information giving the number of clients receiving or granted a Childcare Subsidy for one or more children.

## Numbers of children for whom a Childcare Subsidy was paid

### The number of children for whom a Childcare Subsidy was paid decreased between 2010 and 2011

This decrease (see table CC.1) reflected changes in the use of main benefits.

### Two in three of the children for whom a Childcare Subsidy was paid in recent years were cared for by working families

Between 68% and 70% of the children for whom the Childcare Subsidy was paid between 2008 and 2011 had caregivers who were not receiving financial assistance (see table CC.1).

Another 28% of these children had caregivers who were receiving a Domestic Purposes Benefit.

**table CC.1: Financial assistance paid to caregivers of children assisted by a Childcare Subsidy**

Financial assistance paid to caregiver at the end of June	Children assisted by a Childcare Subsidy <sup>1</sup>				
	2007	2008	2009	2010	2011
Unemployment Benefits	249	129	413	497	396
Domestic Purposes Benefits	13,768	9,377	10,691	11,306	10,812
Sickness Benefits	553	300	404	407	369
Invalid's Benefit	719	518	502	498	446
Other main benefits <sup>2</sup>	302	180	187	158	148
New Zealand Superannuation or Veterans' Pension	52	30	40	37	33
None of the above assistance <sup>3</sup>	26,909	24,346	25,683	27,783	26,444
<b>Total</b>	<b>42,552</b>	<b>34,880</b>	<b>37,920</b>	<b>40,686</b>	<b>38,648</b>

## Notes

1. The number of children recorded in SWIFTT as being assisted by a Childcare Subsidy at the end of June. Please note the timing of this extraction may have been altered in some of the years shown, to avoid school holiday periods.
2. Comprises Unemployment Benefit – Training, Unemployment Benefit – Hardship – Training, Unemployment Benefit – Student Hardship, Independent Youth Benefit, Widow's Benefit and Emergency Benefit.
3. Includes clients receiving other supplementary benefits, and those clients entitled to a Childcare Subsidy through receiving an Unsupported Child's Benefit or an Orphan's Benefit.

## Proportions of children assisted by a Childcare Subsidy

### Children aged under 5 years became slightly less likely to be assisted by a Childcare Subsidy

Between 2010 and 2011, the proportion of children under 5 years for whom a Childcare Subsidy was paid decreased (from 13.0% to 12.3%). This followed an increase between 2009 and 2010 (from 11.6% to 13.0%).

This pattern reflected the impact of changes in economic conditions on:

- the number of people receiving a main benefit
- the use of Childcare Subsidy by working families.

## Grants of Childcare Subsidy

### The number of grants of Childcare Subsidy decreased between 2009/2010 and 2010/2011

This decrease (see table CC.2) reflected the impact of easing economic conditions on the number of people requiring financial assistance with the costs of childcare.

## Children for whom a subsidy was granted became slightly less likely to have caregivers in employment

Thirty-nine percent of children for whom a Childcare Subsidy was granted in 2009/2010 and 2010/2011 had caregivers in employment (see table CC.2). This compared with 43% in 2007/2008.

Between 2007/2008 and 2010/2011, another 34% of these children had caregivers who qualified for a Childcare Subsidy because the parent was in training or education.

**table CC.2: Reasons for granting Childcare Subsidy**

Reason Childcare Subsidy granted	Children for whom a Childcare Subsidy was granted <sup>1</sup>				
	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
Disabled parent	846	930	852	870	849
Parent in employment	20,768	23,416	21,161	20,575	19,720
Child receiving Child Disability Allowance	2,176	2,232	2,228	2,085	1,722
Sibling receiving Child Disability Allowance	1,540	1,592	1,777	1,498	1,524
Sibling in hospital	20	18	8	12	14
Illness or injury	172	194	179	176	137
Parent in training or education	24,504	18,083	16,890	18,175	17,654
Insufficient income	8,025	7,572	8,228	9,128	8,885
<b>Total</b>	<b>58,051</b>	<b>54,037</b>	<b>51,323</b>	<b>52,519</b>	<b>50,505</b>

Note

1. The number of successful applications for Childcare Subsidy recorded in SWIFTT during years ended June.

## Nearly two in three of the children for whom a subsidy was granted were cared for by working families

Between 2007/2008 and 2010/2011, between 61% and 64% of the children for whom a Childcare Subsidy was granted had caregivers who were not receiving financial assistance. This compares with 57% in 2006/2007 (before the implementation of 20 hours' free early childhood education hours).

Between 2007/2008 and 2010/2011, 33% of the children for whom a Childcare Subsidy was granted had caregivers receiving a Domestic Purposes Benefit. This compared with 38% in 2006/2007.

These changes reflected in part the impact of the 20 hours' free early childhood education introduced at the start of 2007/2008. Recipients of a main benefit were only eligible for nine hours' Childcare Subsidy per week per child unless they were employed, in training or undertaking approved work-related activities. This meant most beneficiaries who took up the 20 hours' free early childhood education used it to replace the Childcare Subsidy.

## **OSCAR (Out of School Care and Recreation) Subsidy**

### **Costs covered**

An OSCAR Subsidy pays for out-of-school care for children aged 5–13 years. The subsidy was introduced to help with the costs of approved out-of-school care and holiday programmes faced by:

- working families
- families where the principal caregiver, or their child or children, were experiencing serious ill-health or disability.

The subsidy is paid directly to the provider of the childcare.

Children aged 14 years or over may be legally left at home without full-time care and supervision.

### **Eligibility**

In some circumstances, people can receive an OSCAR Subsidy for:

- up to 20 hours a week in term time
- up to 50 hours a week in school holidays.

To receive this level of subsidy:

- the client must be in work or study, or
- the client or their child must have a disability or a serious illness.

The subsidy was introduced in February 1999.

Income, asset and residency tests apply.

### **Recent changes to the administration of OSCAR Subsidy**

In October 2004, the income limits below which families could receive an OSCAR Subsidy were raised under the Working for Families package.

The hourly subsidy rates were also increased under the Working for Families package from 4 October 2004, to equal the Childcare Subsidy rates. The rates were raised in line with inflation in April 2005 and again in October 2005.

### **Note – statistics show the number of children for whom an OSCAR Subsidy was paid**

This information may differ from other published information showing the number of clients receiving or granted an OSCAR Subsidy for one or more children.

## Numbers of children for whom an OSCAR Subsidy was paid

The number of children for whom an OSCAR Subsidy was paid remained relatively unchanged between 2010 and 2011

This pattern (see table CC.3) reflected a combination of:

- a reduction in the numbers of subsidies granted
- the relatively constant cessations of subsidies as children reach 14 years and become ineligible for an OSCAR Subsidy.

### Four in five of the children for whom the subsidy was paid were in working families

Between 2008 and 2011, 83% of the children for whom an OSCAR Subsidy was paid had caregivers who were not receiving New Zealand Superannuation, a pension or a main benefit (see table CC.3). Fifteen percent of these children had caregivers receiving a Domestic Purposes Benefit.

**table CC.3: Financial assistance paid to caregivers of children assisted by an OSCAR Subsidy**

Financial assistance paid to caregiver at the end of June	Children assisted by an OSCAR Subsidy <sup>1</sup>				
	2007	2008	2009	2010	2011
Unemployment Benefits	10	10	16	11	14
Domestic Purposes Benefits	1,352	1,531	1,827	1,780	1,714
Sickness Benefits	14	18	25	12	29
Invalid's Benefit	42	59	88	102	99
Other main benefits <sup>2</sup>	29	26	32	23	29
New Zealand Superannuation or Veterans' Pension	4	5	10	10	12
None of the above assistance <sup>3</sup>	5,924	7,817	8,994	9,952	9,907
<b>Total</b>	<b>7,375</b>	<b>9,466</b>	<b>10,992</b>	<b>11,890</b>	<b>11,804</b>

#### Notes

1. The number of children recorded in SWIFTT as being assisted by an OSCAR Subsidy at the end of June.
2. Comprises Unemployment Benefit – Training, Unemployment Benefit – Hardship – Training, Unemployment Benefit – Student Hardship, Independent Youth Benefit, Widow's Benefit and Emergency Benefit.
3. Includes clients receiving other supplementary benefits, or entitled to an OSCAR Subsidy through receiving an Unsupported Child's Benefit or an Orphan's Benefit.

## Proportions of children for whom an OSCAR Subsidy was paid

### A relatively small number of children aged 5–13 years were assisted by an OSCAR Subsidy

In 2010 and 2011, 2.3% of children aged 5–13 years were assisted by an OSCAR Subsidy. This followed an increase between 2007 and 2010 (from 1.4% to 2.3%).

This pattern largely reflected changes in the size of the population of 5–13 year olds, which decreased between 2007 and 2010, then flattened in 2011. The numbers of children assisted by an OSCAR Subsidy rose slowly between 2007 and 2010, then flattened in 2011.

### Younger children were more likely than older children to be assisted by an OSCAR Subsidy

Between 2007 and 2011, children aged 5–9 years were more likely than 10–13 year olds to be assisted by an OSCAR Subsidy.

## Grants of OSCAR Subsidy

### The number of grants of OSCAR Subsidy decreased between 2008/2009 and 2010/2011

This decrease (see table CC.4) accelerated in 2010/2011, and largely reflected the reduced use of the OSCAR Subsidy by working families. This may have reflected in part a growth in household incomes as the economy recovered from recession.

### Four in five of the children for whom an OSCAR Subsidy was granted had caregivers who were in employment...

Eighty-one percent of the children for whom an OSCAR Subsidy was granted in 2010/2011 had caregivers in employment (see table CC.4). This compared with 85% in 2007/2008.

**table CC.4: Reasons for granting OSCAR Subsidy**

Reason OSCAR Subsidy granted	Children for whom an OSCAR Subsidy was granted <sup>1</sup>				
	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
Caregiver in employment	23,018	31,208	35,342	33,788	25,627
Caregiver in training or education	4,603	5,355	6,761	7,391	6,073
<b>Total</b>	<b>27,621</b>	<b>36,563</b>	<b>42,103</b>	<b>41,179</b>	<b>31,700</b>

Note

1. The number of successful applications for an OSCAR Subsidy recorded in SWIFTT during years ended June.

### ...and a similar proportion were cared for by working families

Between 2007/2008 and 2010/2011, 80% of the children for whom an OSCAR Subsidy had been granted had caregivers who were receiving no financial assistance.

# Disability Allowance

## Costs covered

A Disability Allowance reimburses people for many types of actual and ongoing regular costs incurred because of disability. In general, a Disability Allowance only covers costs not met or subsidised by other agencies.

A Disability Allowance – Telephone Support (also known as a Telephone Costs Payment) provides a telephone subsidy to people who have ongoing telephone costs as a direct result of their disabilities.

The statistics below on Disability Allowance combine information on Disability Allowance and Disability Allowance – Telephone Support.

## Eligibility

A Disability Allowance is available to people who have a disability that:

- is likely to last at least six months
- means the client requires:
  - ongoing help with normal living tasks, or
  - ongoing supervision or treatment from a registered health professional that is likely to last at least six months
- results in ongoing costs to the client.

People receiving Accident Compensation Corporation (ACC) support for extra costs related to their disabilities may receive a Disability Allowance for the proportion of those costs not met by ACC.

A Disability Allowance – Telephone Support is only available to people who:

- were in receipt of a Telephone Subsidy as at 31 March 1999
- would lose their entitlement to a subsidy if they were assessed under the Disability Allowance criteria effective from 1 April 1999.

Income, asset and residency tests apply.

## Numbers assisted by a Disability Allowance

### Note – the statistics reflect the number of people for whom a Disability Allowance was paid

The statistics in this section show the number of people for whom a Disability Allowance was paid. This information may differ from other published information concerning the number of Disability Allowance recipients. Some clients may be receiving an allowance for more than one member of their household.

### The number assisted by a Disability Allowance remained relatively flat between 2010 and 2011

This pattern (see table DA.1) largely reflected patterns in numbers of clients receiving main benefits.

### Around one in two of the people assisted by a Disability Allowance were receiving New Zealand Superannuation

Between 2009 and 2011, 51% of the people assisted by a Disability Allowance were receiving New Zealand Superannuation (see table DA.1). Another 24% of these clients were receiving an Invalid's Benefit.

**table DA.1: Financial assistance paid to clients assisted by a Disability Allowance, or to their caregivers**

Financial assistance paid at the end of June	People for whom a Disability Allowance was paid <sup>1</sup>				
	2007	2008	2009	2010	2011
Unemployment Benefits	1,403	921	1,961	2,952	3,234
Domestic Purposes Benefits	16,961	16,930	19,206	20,781	20,522
Sickness Benefits	21,235	19,941	24,215	27,465	27,513
Invalid's Benefit	54,923	58,992	60,357	60,531	58,962
Other main benefits <sup>2</sup>	5,938	5,426	5,213	4,923	4,454
New Zealand Superannuation and Veterans' Pension	123,981	124,330	127,066	129,678	129,569
None of the above assistance <sup>3</sup>	6,773	7,055	7,414	7,933	7,831
<b>Total</b>	<b>231,214</b>	<b>233,595</b>	<b>245,432</b>	<b>254,263</b>	<b>252,085</b>

#### Notes

1. The number of clients recorded in SWIFTT as being assisted by a Disability Allowance at the end of June.
2. Comprises Unemployment Benefit – Training, Unemployment Benefit – Hardship – Training, Unemployment Benefit – Student Hardship, Independent Youth Benefit, Widow's Benefit and Emergency Benefit.
3. Includes clients receiving other supplementary benefits, and clients entitled to a Disability Allowance through receiving an Unsupported Child's Benefit or an Orphan's Benefit.



## Proportions of the population assisted by a Disability Allowance

### New Zealanders became slightly more likely to be assisted by a Disability Allowance

Between 2009 and 2011, 5.7% of the New Zealand population were assisted by a Disability Allowance, compared with 5.5% in 2007 and 2008.

This increase largely reflected an increase in the use of Disability Allowance by recipients of Domestic Purposes Benefits and Sickness Benefits.

### The likelihood of being assisted by a Disability Allowance increased with age, with a steep increase for those aged 65 years or over

Between 2007 and 2011, older people were more likely than younger people to be assisted by a Disability Allowance. Nine percent of 60–64 year olds, and between 22% and 23% of those aged 65 years or over, were assisted by a Disability Allowance.

Between 2007 and 2011, there were slight decreases in the likelihood of being assisted by a Disability Allowance among 60–64 year olds and among those aged 65 years or over. Over the same period, the proportions assisted by a Disability Allowance increased slightly in younger age groups.

## Grants of Disability Allowance

### The number of grants of Disability Allowance decreased between 2009/2010 and 2010/2011

This decrease (see table DA.2) largely reflected the patterns in the grants of main benefits.

### Two-fifths of the grants of Disability Allowance were for clients receiving an Invalid's Benefit or a Sickness Benefit, or for their dependants

Between 2009/2010 and 2010/2011, 41% of these grants assisted clients who were receiving a Sickness Benefit or an Invalid's Benefit, or who were the dependants of caregivers receiving one of those benefits (see table DA.2). Another 24% of these grants assisted people receiving New Zealand Superannuation or their dependants.

**table DA.2: Financial assistance paid to clients covered by a Disability Allowance granted, or paid to their caregivers**

Financial assistance paid when Disability Allowance granted	Grants of Disability Allowances <sup>1</sup>				
	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
Unemployment Benefits	3,126	2,638	4,115	5,978	6,176
Domestic Purposes Benefits	9,169	9,868	10,726	10,680	9,196
Sickness Benefits	19,218	19,802	22,645	24,119	21,483
Invalid's Benefit	13,505	14,894	11,609	11,146	9,577
Other main benefits <sup>2</sup>	3,405	3,374	3,249	3,263	3,206
New Zealand Superannuation or Veterans' Pension	21,203	20,060	20,787	20,744	18,178
None of the above assistance <sup>3</sup>	8,053	8,228	8,379	8,980	8,685
<b>Total</b>	<b>77,679</b>	<b>78,864</b>	<b>81,510</b>	<b>84,910</b>	<b>76,501</b>

## Notes

1. The number of successful applications for Disability Allowances recorded in SWIFTT during years ended June.
2. Comprises Unemployment Benefit – Training, Unemployment Benefit – Hardship – Training, Unemployment Benefit – Student Hardship, Independent Youth Benefit, Widow's Benefit and Emergency Benefit.
3. Includes clients receiving other supplementary benefits, and clients entitled to a Disability Allowance through receiving an Unsupported Child's Benefit or an Orphan's Benefit.

# Child Disability Allowance

## Costs covered

A Child Disability Allowance is a fortnightly payment that can be made to the principal caregiver of a child who:

- requires constant care and attention because of a physical, sensory, psychiatric or intellectual disability
- is likely to need care permanently or for more than 12 months.

This allowance covers the costs of providing care for the child, rather than the direct costs arising from the child's disability. A Disability Allowance is paid to reimburse the direct costs arising from the child's disability. Between 2008 and 2011, 14% of children assisted by a Child Disability Allowance were also assisted by a Disability Allowance.

## Eligibility

To be eligible for a Child Disability Allowance, the caregiver must be:

- a New Zealand citizen or permanent resident of New Zealand
- ordinarily resident in New Zealand.

In addition, the child covered by the allowance must be:

- a dependent child of the carer receiving the allowance
- ordinarily resident in New Zealand.

The allowance is not means tested.

## Operational changes

Enhancements to the administration processes introduced in July 2004 comprised:

- annual reviews (only required if a client indicated they had had a change of circumstances)
- reminders that children reaching the age of 16 years could be eligible for an Invalid's Benefit.

From April 2007, Child Disability Allowance payments were no longer suspended if recipients did not return their annual review forms.

Since mid-2008, case manager decisions on eligibility for the Child Disability Allowance have been improved by:

- a requirement for fuller medical information
- case managers being able to consult with Regional Health Advisors when making decisions about eligibility.

## **Numbers of children assisted by a Child Disability Allowance**

### **Note – the statistics reflect the number of children assisted by the allowance**

Clients may receive a Child Disability Allowance covering one or more children. This information may therefore differ from other published information showing the number of clients receiving the allowance.

### **The number of children assisted by a Child Disability Allowance decreased between 2009 and 2011**

This decrease (see table CD.1) largely reflected the reduced use of the Child Disability Allowance by working families. This reflected a combination of:

- an increased number of clients not retaining their allowance, due to parents not confirming their children still met the eligibility criteria for the allowance
- reductions from mid-2008 in the proportion of applications for the allowance being granted, following the administrative reforms noted above.

### **Between 2007 and 2011, three in five of the children assisted by a Child Disability Allowance were cared for by working families**

Between 2007 and 2011, 61% of the children assisted by a Child Disability Allowance had caregivers who were not receiving financial assistance (see table CD.1). Another 29% of these children had caregivers who were receiving a Domestic Purposes Benefit.

**table CD.1: Financial assistance paid to caregivers of children assisted by a Child Disability Allowance**

Financial assistance paid to caregivers at the end of June	Children assisted by a Child Disability Allowance <sup>1</sup>				
	2007	2008	2009	2010	2011
Unemployment Benefits	291	250	661	746	649
Domestic Purposes Benefits	10,950	11,950	13,212	12,956	11,390
Sickness Benefits	865	809	970	940	828
Invalid's Benefit	1,995	2,219	2,197	1,928	1,636
Other main benefits <sup>2</sup>	456	418	418	322	275
New Zealand Superannuation or Veterans' Pensions	193	232	284	287	262
None of the above assistance <sup>3</sup>	24,395	27,307	28,025	26,704	24,213
<b>Total</b>	<b>39,145</b>	<b>43,185</b>	<b>45,767</b>	<b>43,883</b>	<b>39,253</b>

## Notes

1. The number of children recorded in SWIFTT as being assisted by a Child Disability Allowance at the end of June.
2. Comprises Unemployment Benefit – Training, Unemployment Benefit – Hardship – Training, Unemployment Benefit – Student Hardship, Independent Youth Benefit, Widow's Benefit and Emergency Benefit.
3. Includes clients receiving other supplementary benefits, and clients entitled to a Child Disability Allowance through receiving an Unsupported Child's Benefit or an Orphan's Benefit.

**Four in five of the children assisted by a Child Disability Allowance were aged under 14 years**

Between 2007 and 2011, around 82% of the children assisted by a Child Disability Allowance were aged under 14 years. This included between 26% and 29% who were aged under 6 years.

**Proportions of children who were assisted by a Child Disability Allowance****Children under 18 years became slightly less likely to be assisted by a Child Disability Allowance**

Between 2009 and 2011, the proportion of children aged under 18 years who were assisted by a Child Disability Allowance decreased slightly (from 4.2% to 3.6%). This decrease followed an increase between 2007 and 2009 (from 3.6% to 4.2%).

This pattern largely reflected the impact of changes in economic conditions on both the:

- numbers of clients receiving main benefits
- numbers of working families accessing the Child Disability Allowance.

## Children aged 5–13 years were more likely than other children to be assisted by a Child Disability Allowance

Between 2007 and 2011, between 4% and 5% of children aged 5–13 years were assisted by a Child Disability Allowance, compared with 3% of 0–4 year olds and a similar proportion of 14–17 year olds.

## Grants of Child Disability Allowance

### The number of grants of Child Disability Allowance decreased markedly between 2008/2009 and 2010/2011

This decrease (see table CD.2) reflected at least in part the administrative changes introduced from July 2008.

### About one in two of the children for whom an allowance was granted was cared for by a working family

Between 2006/2007 and 2010/2011, between 51% and 55% of the children for whom a Child Disability Allowance was granted had caregivers receiving no financial assistance (see table CD.2).

During the same period, 35% had caregivers who were receiving a Domestic Purposes Benefits.

**table CD.2: Financial assistance paid to caregivers of children for whom a Child Disability Allowance was granted**

Financial assistance paid when Child Disability Allowance granted	Children for whom a Child Disability Allowance was granted <sup>1</sup>				
	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
Unemployment Benefits	192	133	214	267	226
Domestic Purposes Benefits	3,490	3,750	3,735	3,163	2,526
Sickness Benefits	344	366	387	277	243
Invalid's Benefit	461	496	469	368	332
Other main benefits <sup>2</sup>	147	157	137	111	82
New Zealand Superannuation	47	58	67	48	51
None of the above assistance <sup>3</sup>	5,338	6,067	5,891	4,707	3,652
<b>Total</b>	<b>10,019</b>	<b>11,027</b>	<b>10,900</b>	<b>8,941</b>	<b>7,112</b>

#### Notes

1. The number of successful applications for a Child Disability Allowance recorded in SWIFTT during years ended June.
2. Comprises Unemployment Benefit – Training, Unemployment Benefit – Hardship – Training, Unemployment Benefit – Student Hardship, Independent Youth Benefit, Widow's Benefit and Emergency Benefit.
3. Includes clients receiving other supplementary benefits, and clients entitled to a Child Disability Allowance through receiving an Unsupported Child's Benefit or an Orphan's Benefit.

# Training Incentive Allowance

## Costs covered

A Training Incentive Allowance provides non-taxable assistance to people undertaking employment-related training. The training must:

- enhance and improve their work skills
- improve their prospects of gaining sustainable paid employment.

The allowance contributes toward the fees, course costs and associated costs (eg transport, childcare) faced by trainees and students. It may be paid as:

- a lump sum
- an ongoing entitlement, or
- a combination of the two.

A Training Incentive Allowance may be used to fund the education and training included in an individual's employment plan or Personal Development and Employment Plan. Personal Development and Employment Plans were introduced in March 2003 for people receiving a Domestic Purposes Benefit or a Widow's Benefit, and were replaced by employment plans from September 2010.

## Eligibility

The Training Incentive Allowance is available to people who are receiving:

- a Domestic Purposes Benefit
- a Widow's Benefit, or
- an Invalid's Benefit.

From 1 January 2007, in addition to the above criteria, clients are required to be involved in courses that:

- attract Student Achievement Component funding or other government funding, or
- are explicitly specified courses considered to meet quality and relevance criteria but are not Student Achievement Component funded.

Quality and relevance criteria for courses are specified by the Tertiary Education Commission's quality and relevance standards for Student Loans and Student Allowances. Courses that meet these criteria but are not Student Achievement Component funded include:

- Training Opportunities courses
- secondary school courses
- university pre-employment courses.

## Changes in the administration of Training Incentive Allowance

In the 1998 calendar year, a number of changes were made to target the allowance, to ensure the greatest benefit to recipients. These changes included:

- tightening the objectives for an allowance, particularly requiring a greater focus on training for employment
- excluding people who had completed degrees in the previous five years
- excluding Training Opportunities programmes and Work and Income courses
- excluding private establishment courses outside the New Zealand Qualifications Authority's (NZQA's) accreditation framework.

Since 1999:

- the maximum amount of Training Incentive Allowance has been adjusted on 1 April each year, to reflect changes in the cost of living in the previous 12 months
- the historical requirement that allowances were not to be paid to people who completed degrees in the previous five years can be relaxed when applicants intend to undertake employment-related courses less than 12 weeks long.

From 2007, new allowances granted were restricted to courses that attracted Student Achievement Component Funding.

From May 2009, the Training Incentive Allowance was no longer available to clients undertaking qualifications at National Certificate of Educational Achievement (NCEA) level 4. Since May 2009, assistance with training costs for these courses has been available to recipients of a Domestic Purposes Benefit – Sole Parent through Domestic Purposes Benefit – Sole Parent Study Assistance.

## Numbers granted a Training Incentive Allowance

### **Note – Training Incentive Allowance statistics cannot be compared with figures in Statistical Reports before 2007**

Since 2007, statistics in *The Statistical Report* on the number of Training Incentive Allowances granted have:

- been for calendar years (ended 31 December)
- shown clients granted one or more allowances in a calendar year, including one-off payments.

Statistics in *The Statistical Report* before 2007 were for fiscal years (ended 30 June), and excluded allowances received as one-off payments.

### **The number granted a Training Incentive Allowance once or more in the calendar year decreased between 2010 and 2011**

This decrease (see table TI.1) reflected the impact of the introduction of Domestic Purposes Benefit – Sole Parent Study Assistance, and the consequent reduction in the use of Training Incentive Allowance.



## Four in five recipients of a Training Incentive Allowance were receiving a Domestic Purposes Benefit

Between 2008 and 2010, 80% of these clients were receiving a Domestic Purposes Benefit (see table TI.1).

**table TI.1: Main benefits received by clients granted a Training Incentive Allowance**

Type of main benefit received when first Training Incentive Allowance payment in the year was granted	Clients granted a Training Incentive Allowance <sup>1</sup>				
	2006	2007	2008	2009	2010
Domestic Purposes Benefits	13,635	10,961	10,120	9,898	5,051
Invalid's Benefit	2,634	2,378	2,435	2,255	1,084
Widow's Benefit	253	198	157	144	71
<b>Total</b>	<b>16,522</b>	<b>13,537</b>	<b>12,712</b>	<b>12,297</b>	<b>6,206</b>

Note

1. The number of clients with one or more successful applications for a Training Incentive Allowance recorded in SWIFTT during years ended December.

# Temporary Additional Support and Special Benefit

## Temporary Additional Support

### Costs covered

Temporary Additional Support is used as a last resort. It is used to help clients meet living costs that:

- are regular and essential
- cannot be met from the clients' incomes or from other resources.

This assistance is available to cover essential and unavoidable ongoing regular costs. These costs may include:

- purchases of essential household furniture or appliances
- telephone rentals
- repayments for previously purchased vehicles where there is no suitable public transport available and the vehicles are required:
  - for employment reasons, or
  - because of disability in the family
- employment-related costs (eg childcare, public transport and vehicle costs)
- accommodation costs not covered by the Accommodation Supplement
- health and disability costs where:
  - costs are not met through the Disability Allowance, or
  - clients or their families are not eligible for the Disability Allowance.

Some of the above items have limits on the number of items that can be purchased using Temporary Additional Support and on the payment amounts made under that programme.

This assistance is available for a maximum of 13 weeks, but may be approved for a shorter period. Clients with an ongoing deficiency of income may reapply after receiving it for 13 weeks.

Temporary Additional Support was introduced from 1 April 2006.

### Eligibility

To receive Temporary Additional Support, clients must:

- be aged 16 years or over
- meet asset and residency tests
- ensure they are receiving all other assistance available to them
- show they face a deficiency of income after having taken reasonable steps to reduce their costs and to increase their incomes.

## Special Benefit

Before 1 April 2006, a Special Benefit could be paid to people receiving a main benefit and to other low-income earners. To receive one, a client had to have:

- a deficiency between their ongoing income and their costs
- individual circumstances that warranted them receiving a Special Benefit.

From 1 April 2006, Temporary Additional Support replaced Special Benefit for new applicants. Any Special Benefit paid after this date either:

- had been granted before 1 April 2006, or
- was granted after 1 April 2006 to maintain Special Benefit payments when clients continued to receive a Special Benefit after their entitlement to assistance was reviewed.

## Numbers receiving Temporary Additional Support or a Special Benefit

### **The number receiving Temporary Additional Support or a Special Benefit decreased slightly between 2010 and 2011**

This decrease (see table TS.1) largely reflected a slight decrease over the same period in the numbers of clients receiving a main benefit.

### **Two in five clients receiving Temporary Additional Support or a Special Benefit were receiving a Sickness Benefit or an Invalid's Benefit**

Between 2009 and 2011, 39% of these clients were receiving a Sickness Benefit or an Invalid's Benefit. Over the same period, 36% of these clients were receiving a Domestic Purposes Benefit.

**table TS.1: Financial assistance paid to clients receiving Temporary Additional Support or a Special Benefit**

Financial assistance paid at the end of June	Clients receiving Temporary Additional Support or a Special Benefit <sup>1,2</sup>				
	2007	2008	2009	2010	2011
Unemployment Benefits	1,593	1,575	6,669	8,031	7,661
Domestic Purposes Benefits	16,907	17,181	21,387	23,565	21,889
Sickness Benefits	7,107	7,311	10,451	12,156	11,767
Invalid's Benefit	10,587	11,283	12,339	12,569	12,149
Other main benefits <sup>3</sup>	1,701	1,646	2,126	2,080	2,034
New Zealand Superannuation or Veterans' Pension	1,246	1,527	2,133	2,519	2,646
None of the above assistance <sup>4</sup>	1,778	1,991	2,911	2,990	2,882
<b>Total</b>	<b>40,919</b>	<b>42,514</b>	<b>58,016</b>	<b>63,910</b>	<b>61,028</b>

## Notes

1. The number of clients recorded in SWIFTT as receiving Temporary Additional Support or a Special Benefit at the end of June.
2. Special Benefits shown are restricted to ongoing (weekly) Special Benefits, and exclude Special Benefit lump sums.
3. Comprises Unemployment Benefit – Training, Unemployment Benefit – Hardship – Training, Unemployment Benefit – Student Hardship, Independent Youth Benefit, Widow's Benefit and Emergency Benefit.
4. Includes clients receiving other supplementary benefits, and clients entitled to Temporary Additional Support or a Special Benefit through receiving an Unsupported Child's Benefit or an Orphan's Benefit.

**Since its implementation in 2006, Temporary Additional Support has become the dominant form of ongoing hardship assistance paid**

Temporary Additional Support accounted for 86% of the combined hardship assistance being paid in 2011. This compared with 58% in 2008 and 37% in 2007. This increase reflected the transition towards delivering ongoing hardship assistance to most clients through Temporary Additional Support rather than through Special Benefits.

## Proportions of the population receiving Temporary Additional Support or a Special Benefit

### Relatively small numbers of people aged 18 years or over were receiving Temporary Additional Support or a Special Benefit

Between 2009 and 2011, 1.8% of people aged 18 years or over were receiving Temporary Additional Support or a Special Benefit, up on 1.3% between 2007 and 2008.

This increase largely reflected the increased use of this assistance among clients receiving Unemployment Benefits, Domestic Purposes Benefits and Sickness Benefits.

### The likelihood of receiving Temporary Additional Support or Special Benefit decreased with age for those aged 25 years or over

Between 2007 and 2011, those aged 25–39 years were slightly more likely than older people to be receiving this assistance, and the proportion doing so decreased with age.

Over this period, 2% of those aged 25–39 years were receiving this assistance, compared with 0.5% or less of those aged 65 years or over.

## Grants of Temporary Additional Support or a Special Benefit

### The number of clients granted Temporary Additional Support or a Special Benefit remained relatively flat between 2009/2010 and 2010/2011

This pattern (see table TS.2) largely reflected the changes in the number of clients receiving main benefits.

### A third of this assistance was granted to clients receiving a Domestic Purposes Benefit

Thirty-three percent of the clients granted this assistance in 2009/2010 and 2010/2011 were receiving a Domestic Purposes Benefit (see table TS.2). Another 21% of these clients were receiving Sickness Benefits, while 17% were receiving Unemployment Benefits.

**table TS.2: Financial assistance paid to clients granted Temporary Additional Support or a Special Benefit**

Financial assistance paid when Temporary Additional Support or Special Benefit granted	Clients granted Temporary Additional Support or a Special Benefit <sup>1,2</sup>				
	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
Unemployment Benefits	9,201	10,066	26,502	47,178	46,401
Domestic Purposes Benefits	24,035	42,071	70,125	88,436	89,121
Sickness Benefits	17,213	28,135	44,139	56,669	57,219
Invalid's Benefit	8,615	17,498	27,863	33,228	34,952
Other main benefits <sup>3</sup>	3,669	5,665	9,417	11,223	11,955
New Zealand Superannuation or Veterans' Pension	1,510	3,058	6,496	8,908	10,099
None of the above assistance <sup>4</sup>	7,536	10,783	16,842	20,370	19,767
<b>Total</b>	<b>71,779</b>	<b>117,276</b>	<b>201,384</b>	<b>266,012</b>	<b>269,514</b>

## Notes

1. The number of successful applications for Temporary Additional Support or a Special Benefit recorded in SWIFTT during years ended June.
2. The information on Special Benefits shown is restricted to ongoing (weekly) Special Benefits, and excludes payments of Special Benefit lump sums.
3. Comprises Unemployment Benefit – Training, Unemployment Benefit – Hardship – Training, Unemployment Benefit – Student Hardship, Independent Youth Benefit, Widow's Benefit and Emergency Benefit.
4. Includes clients receiving other supplementary benefits, and clients entitled to Temporary Additional Support or a Special Benefit through receiving an Unsupported Child's Benefit or an Orphan's Benefit.

**Virtually all of the ongoing hardship assistance granted in recent years was Temporary Additional Support**

Between 2007/2008 and 2010/2011, virtually all (97% or more) of the ongoing hardship assistance granted was Temporary Additional Support. This reflected the restricted eligibility for a Special Benefit from 1 April 2006.

# The ReStart Package

## What was the ReStart Package?

ReStart offered short-term financial assistance to clients who had recently been made redundant from a full-time job.

The programme was implemented in January 2009. However, people made redundant on or after 8 November 2008 were eligible to apply.

The ReStart package was phased out by 1 January 2011.

For information about the programme and its use, see *The Statistical Report for the year ending June 2010*.

# Residential Care Subsidy and Residential Support Subsidy

## Costs covered

Residential Care Subsidy helps with the costs of residential care for older people.

Residential Support Subsidy helps with the costs of contracted disability support and residential services for younger people.

These subsidies are paid by district health boards (DHBs) or the Ministry of Health directly to the providers of care.

In this report, clients are said to be 'receiving' a subsidy if a subsidy is paid to a care provider on their behalf.

## Residential Care Subsidy

### Eligibility

The Residential Care Subsidy provides funding for a person who:

- has been needs assessed by a DHB as having a health condition that requires long-term or lifelong residential care in a hospital or rest home
- is receiving care from a service provider contracted by the DHB.

To qualify for this funding, clients must be:

- aged 50–64 years and be married<sup>4</sup> or have dependent children
- aged 50–64 years, be single with no dependent children, and have income assessed as being at or below the relevant threshold, or
- aged 65 years or over and have income and assets assessed as being at or below the relevant thresholds.

### Income and asset tests

MSD's Senior Services service line is responsible for assessing a person's income and assets to determine whether or not they are financially eligible for a Residential Care Subsidy.

The person does not have to be receiving New Zealand Superannuation, a pension or a main benefit to have a financial means assessment.

This assessment of financial eligibility is separate from the DHB's assessment, which determines all other aspects of eligibility for a Residential Care Subsidy.

On 1 July 2005, the Social Security (Long-term Residential Care) Amendment Act 2004:

- significantly increased the asset thresholds
- introduced an exemption for income derived from assets.

---

4. 'Married' includes clients who are married, living as married or in a civil union.



## **Clients receiving a Residential Care Subsidy may be required to contribute to the costs of their care**

Clients may be required to contribute to the costs of the care or services funded by the subsidy. A client must contribute a portion of their income, including any New Zealand Superannuation, pension or main benefit they receive, while retaining a personal allowance from those payments.

If the client agrees, Senior Services will assign the benefit contribution directly to the client's provider.

## **Numbers of MSD clients receiving a Residential Care Subsidy**

### **Note – the statistics in this section are restricted to MSD clients**

The information is restricted to clients who:

- were in receipt of New Zealand Superannuation, a pension or a main benefit through MSD
- had been means assessed by Senior Services as being financially eligible for the Residential Care Subsidy.

The information in this section should not be read as including all individuals eligible for, or taking up, this subsidy. People who are not MSD clients may receive this subsidy following assessments by DHBs or health providers.

### **The number of MSD clients receiving a Residential Care Subsidy remained relatively flat between 2010 and 2011**

This represented a return to a historically slow growth rate in the numbers of clients receiving this subsidy, after a larger than usual increase between 2009 and 2010 (see table RS.1).

### **Virtually all MSD clients receiving a subsidy were aged 65 years or over...**

Of those receiving a Residential Care Subsidy between 2010 and 2011, around 99% were aged 65 years or over, including 75% who were aged 80 years or over (see table RS.1). Around 26% of these clients were aged 90 years or over, and a similar proportion were aged 85–89 years.

**table RS.1: Ages of MSD clients receiving a Residential Care Subsidy**

Age of client at the end of June	MSD clients receiving a Residential Care Subsidy <sup>1</sup>				
	2007	2008	2009	2010	2011
Under 60 years	80	59	50	52	45
60–64 years	153	160	149	153	150
65–69 years	612	618	629	626	670
70–74 years	1,345	1,350	1,400	1,401	1,383
75–79 years	2,520	2,529	2,490	2,582	2,526
80–84 years	4,139	4,129	4,187	4,155	4,265
85–89 years	4,588	4,708	4,906	5,087	5,121
90 years or over	4,782	4,776	4,656	4,999	5,050
<b>Total</b>	<b>18,219</b>	<b>18,329</b>	<b>18,467</b>	<b>19,055</b>	<b>19,210</b>

Note

1. The number of clients recorded in SWIFTT as having their main benefit or pension (less a personal allowance) paid to a health provider at the end of June under the Residential Care Subsidy scheme.

### ...and were receiving New Zealand Superannuation or a Veterans' Pension

Over this period, 96% of MSD clients receiving a Residential Care Subsidy were being paid New Zealand Superannuation or a Veterans' Pension.

## Proportions of the population who were MSD clients receiving a Residential Care Subsidy

### People aged 65 years or over became slightly less likely to be MSD clients receiving a subsidy

Between 2007 and 2011, the proportion of those aged 65 years or over who were MSD clients and receiving a Residential Care Subsidy trended downward (from 3.4% to 3.2%).

### Those aged 80 years or over were more likely than those in younger age groups to be a MSD client receiving a subsidy

Between 2007 and 2011, 10% of those aged 85–89 years, and between 21% and 24% of those aged 90 years or over, were MSD clients receiving a Residential Care Subsidy. Over the same period, 0.4% of 65–69 year olds, and 1.1% of 70–74 year olds, were in the same position.

This pattern reflected:

- the growth in the population aged 65 years or over, owing to population ageing
- people aged 80 years or over being the most common age group using the subsidy.

The proportion of those aged 90 years or over who were MSD clients receiving a Residential Care Subsidy trended downward between 2007 and 2011.

## Numbers of MSD clients found to be financially eligible for a Residential Care Subsidy

### Note – a successful application for a Residential Care Subsidy is when a client is found to be financially eligible to receive a subsidy

A client has their medical need for care assessed before the assessment of their financial eligibility for a Residential Care Subsidy. Some clients may have been assessed for medical needs, and entered care, in the year before the assessment of their financial eligibility for a subsidy.

### The number of MSD clients found to be financially eligible for a subsidy remained relatively flat between 2009/2010 and 2010/2011

This followed a steep increase between 2008/2009 and 2009/2010 (see table RS.2).

### Over two in three of the clients successfully applying for a Residential Care Subsidy were aged 80 years or over

Between 2008/2009 and 2010/2011, the proportion of those successfully applying for a Residential Care Subsidy who were aged 80 years or over increased from 69% to 72% (see table RS.2). The proportion of these clients who were aged 65–79 years decreased from 29% to 27% over the same period.

**table RS.2: Ages of MSD clients found to be financially eligible for a Residential Care Subsidy**

Age of client at the end of June	Number of successful applications for a Residential Care Subsidy <sup>1</sup>				
	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
Under 60 years	38	46	40	62	61
60–64 years	73	96	89	118	129
65–69 years	346	363	449	624	653
70–74 years	502	614	707	1,054	1,037
75–79 years	958	1,108	1,341	2,033	1,823
80–84 years	1,628	1,746	2,131	3,225	3,324
85–89 years	1,605	1,803	2,212	3,614	3,555
90 years or over	1,142	1,284	1,573	2,526	2,499
<b>Total</b>	<b>6,292</b>	<b>7,060</b>	<b>8,542</b>	<b>13,256</b>	<b>13,081</b>

Note

1. The number of successful applications for a Residential Care Subsidy recorded in SWIFTT during years ended June. A successful application indicated the client was found to be financially eligible for a Residential Care Subsidy.

## Residential Support Subsidy

### Eligibility

The Residential Support Subsidy provides funding for people with physical, intellectual or psychiatric disabilities (including those undertaking drug and alcohol rehabilitation).

No income and asset tests apply.

### **Clients receiving a Residential Support Subsidy may be required to contribute to the costs of their care**

Clients may be required to contribute to the costs of the care or services funded by the subsidy. A client must contribute a portion of any New Zealand Superannuation, pension or main benefit they receive, while retaining a personal allowance from those payments. They may also be required to contribute an amount from other income (less some exemptions) if applicable.

If the client agrees, Senior Services will assign the benefit contribution directly to the client's provider.

## Numbers of MSD clients receiving a Residential Support Subsidy

### **Note – the statistics in this section are restricted to MSD clients**

The information is restricted to clients who:

- were in receipt of New Zealand Superannuation, a pension or a main benefit through MSD
- were receiving residential disability support or were in a residential service and receiving a Residential Support Subsidy.

The information in this section should not be read as including all individuals eligible for, or taking up, this subsidy. People who are not MSD clients may receive this subsidy following assessments by a DHB or a health provider.

### **The number of MSD clients receiving a Residential Support Subsidy increased slightly between 2010 and 2011**

This slight increase (see table RS.3) continued a pattern of slow growth in the numbers of clients receiving these subsidies.

### **Nearly all MSD clients receiving a Residential Support Subsidy were receiving an Invalid's Benefit**

Eighty-five percent of the MSD clients receiving a Residential Support Subsidy in 2011 were receiving an Invalid's Benefit (see table RS.3). This compared with 87% in 2007.

Most of the remaining clients were receiving New Zealand Superannuation or a Sickness Benefit.

**table RS.3: Financial assistance paid to MSD clients receiving a Residential Support Subsidy**

Financial assistance paid at the end of June	MSD clients receiving a Residential Support Subsidy <sup>1</sup>				
	2007	2008	2009	2010	2011
Unemployment Benefits	0	0	0	0	0
Domestic Purposes Benefits	17	11	13	16	18
Sickness Benefits	407	408	478	469	522
Invalid's Benefit	7,417	7,526	7,619	7,847	7,894
Other main benefits <sup>2</sup>	58	53	54	47	42
New Zealand Superannuation and Veterans' Pension	578	620	646	699	761
None of the above assistance <sup>3</sup>	0	0	3	2	3
<b>Total</b>	<b>8,477</b>	<b>8,618</b>	<b>8,813</b>	<b>9,080</b>	<b>9,240</b>

## Notes

1. The number of clients recorded in SWIFTT as having their main benefit or pension (less a personal allowance) paid to a health provider at the end of June under the Residential Support Subsidy scheme.
2. Comprises Unemployment Benefit – Training, Unemployment Benefit – Hardship – Training, Unemployment Benefit – Student Hardship, Independent Youth Benefit, Widow's Benefit and Emergency Benefit.
3. Includes clients receiving other supplementary benefits, an Unsupported Child's Benefit or an Orphan's Benefit.

**Over one in two clients receiving a Residential Support Subsidy were aged 40–64 years**

Between 2007 and 2011, between 55% and 57% of the clients receiving a Residential Support Subsidy were aged 40–64 years. Around another quarter (between 24% and 28%) were aged 25–39 years.

Around 9% of the clients receiving this subsidy were aged 65 years or over.

**Proportions of working-age people who were MSD clients receiving a Residential Support Subsidy****Very small numbers of working-age people were MSD clients receiving a subsidy**

Between 2007 and 2011, 0.3% of working-age people were MSD clients receiving a Residential Support Subsidy.

**The likelihood of being an MSD client receiving a subsidy increased with age for 18–59 year olds**

Between 2007 and 2011, less than 0.2% of 18–24 year olds were MSD clients receiving a Residential Support Subsidy, compared with 0.4% of 40–49 year olds and a similar proportion of 50–59 year olds.

## MSD clients who take up a Residential Support Subsidy

### Note – a successful application for a Residential Support Subsidy is recorded when a client takes up the subsidy

There is usually little delay between when clients are recorded as taking up a Residential Support Subsidy and when clients begin to receive the services being funded.

### The number of MSD clients taking up a Residential Support Subsidy fluctuated between 2008/2009 and 2010/2011

This fluctuation followed a decrease between 2007/2008 and 2008/2009 (see table RS.4), and was within a narrow range.

This fluctuation reflected at least in part the stabilisation between 2008/2009 and 2010/2011 of the numbers of clients receiving Sickness Benefits and Invalid's Benefits. As Sickness Benefit and Invalid's Benefit numbers settled, numbers receiving a Residential Support did also. Nearly all recipients of Residential Support Subsidies are receiving a Sickness Benefit or an Invalid's Benefit.

### Between 2008/2009 and 2010/2011, clients taking up a subsidy became more likely to be receiving a Sickness Benefit

Forty-eight percent of clients taking up a Residential Support Subsidy in 2010/2011 were receiving a Sickness Benefit (see table RS.4). This compared with 42% in 2008/2009.

The proportion of clients taking up a subsidy who were receiving an Invalid's Benefit decreased from 50% to 44% over the same period (see table RS.4).

**table RS.4: Financial assistance paid to MSD clients taking up a Residential Support Subsidy**

Financial assistance paid when Residential Support Subsidy is taken up	Number of clients taking up a Residential Support Subsidy <sup>1</sup>				
	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
Unemployment Benefits	2	3	0	2	1
Domestic Purposes Benefits	86	96	107	117	121
Sickness Benefits	1,540	1,766	2,069	2,127	2,398
Invalid's Benefit	1,862	3,443	2,464	2,299	2,162
Other main benefits <sup>2</sup>	35	40	50	30	30
New Zealand Superannuation or Veterans' Pension	148	203	206	243	241
None of the above assistance <sup>3</sup>	0	1	6	7	5
<b>Total</b>	<b>3,673</b>	<b>5,552</b>	<b>4,902</b>	<b>4,825</b>	<b>4,958</b>

#### Notes

1. The number of clients recorded in SWIFTT as taking up a Residential Support Subsidy during years ended June.
2. Comprises Unemployment Benefit – Training, Unemployment Benefit – Hardship – Training, Unemployment Benefit – Student Hardship, Independent Youth Benefit, Widow's Benefit and Emergency Benefit.
3. Includes clients receiving other supplementary benefits, an Unsupported Child's Benefit or an Orphan's Benefit.

# Hardship assistance

# Background

## Purpose of hardship assistance

Work and Income delivers hardship assistance to people who have immediate and essential needs for specific items or services.

Those who may be eligible for this assistance include:

- people earning low incomes from employment
- people receiving a pension or main benefit from Work and Income.

## What kinds of hardship assistance are available?

Hardship assistance is paid as a one-off payment to meet specific essential expenses. This assistance can be provided as:

- Special Needs Grants
- Recoverable Assistance Payments
- advance payment of benefits being received by the client.

Hardship assistance may be:

- paid to the client, or to another person or organisation who provides goods or services to the client
- recoverable or non-recoverable.

Clients are required to pay back recoverable assistance to Work and Income.

## Recent administrative changes

From September 2010, clients requiring hardship assistance more than three times in a 12-month period are required to show they have taken reasonable steps to increase their income, to reduce their costs, or to improve their financial management. This may include undertaking budgeting activities.



# Costs covered and eligibility criteria

## Special Needs Grants

### What costs are covered?

Special Needs Grants are one-off payments made to those who have immediate or emergency needs and who have no other way of paying to meet those needs. Most Special Needs Grants are non-recoverable. Recoverable Special Needs Grants have to be repaid to Work and Income.

### Who can receive this assistance?

Special Needs Grants are available both to people who are receiving a main benefit and to people who are not.

As well as lump-sum payments to meet a range of specific expenses, Special Needs Grants include re-establishment grants targeted at particular groups of clients. Clients who may be eligible for re-establishment grants include:

- released prisoners
- refugees
- sole parents who have been victims of domestic violence.

Residency, income and cash asset tests apply.

## Recoverable Assistance Payments

### What costs are covered?

Recoverable Assistance Payments were introduced in 1996 to replace most recoverable Special Needs Grants for people not receiving a benefit.

These payments provide non-taxable, interest-free recoverable financial assistance to non-beneficiaries. The aim is to enable them to meet essential immediate needs for specific items and services.

Clients may have access to Recoverable Assistance Payments up to a maximum value of six weeks' worth of an Invalid's Benefit or the maximum amount allowed for specific cost categories.

### Who may receive a Recoverable Assistance Payment?

Any low-income earner may apply for a Recoverable Assistance Payment for immediate and essential expenses.

When approving a Recoverable Assistance Payment, Work and Income staff must:

- consider whether such a payment would best meet the immediate need
- investigate other sources of assistance
- investigate the client's ability to repay the payment.

## Income, asset and residency tests

To receive a Recoverable Assistance Payment, a client must:

- meet income and cash asset tests
- be able to identify a particular immediate need for an essential item or service
- meet residency requirements.

Income and asset limits, and the maximum payment amounts available, vary according to the age and circumstances of the applicant (see table HA.1). In exceptional circumstances, a client may be granted a payment if their cash assets exceed the limit shown in this table.

**table HA.1: Income limits, cash asset limits and maximum payments for Recoverable Assistance Payments (applicable from 1 April 2011)**

Client category	Cash asset limit <sup>1</sup>	Income limit <sup>1,2</sup>	Maximum payment <sup>1,2</sup>
Single person 16–17 years	\$1,007.28	\$23,924.68	\$1,222.26
Single person 18 years or over	\$1,007.28	\$27,497.08	\$1,510.38
Married couple with or without children	\$1,678.39	\$39,937.56	\$2,517.36
Sole parent with one child	\$1,678.39	\$33,365.80	\$1,984.20
Sole parent with two or more children	\$1,678.39	\$35,152.52	\$1,984.20

Notes

1. The asset limits, income limits and maximum payments are applicable from 1 April 2011.
2. The income limits and maximum payments shown are gross of income tax.

The maximum Recoverable Assistance Payments apply for a number of purposes. The maximum payments applicable from 1 April 2011 are shown in table HA.2.

**table HA.2: Maximum Recoverable Assistance Payments for specific purposes (applicable from 1 April 2011)**

Payment purpose		Status <sup>1</sup>	Maximum payment <sup>2</sup>
Ambulance subscription fees			\$200.00
Attendance at funerals and tangihanga			\$200.00
Beds, chairs and tables			\$200.00
Bonds and rent			\$600.00
Car repairs			\$400.00
Car seats and safety helmets			\$200.00
Clothing		Single client without children	\$150.00
		Married without children	\$300.00
		Single or married with children	\$400.00
Dentures, glasses, contact lenses and hearing aids			\$1,000.00
Driver licences	Renewals	Client aged under 75 years	\$43.90
		Client aged 75 years or over	\$18.70
		Client aged 75 years or over who requires an On-Road Safety Test	\$41.80
	New	Learner licence	\$93.90
		Restricted licence	\$108.10
		Full licence	\$136.20
	Reinstatement of driver's licence		
Electricity, gas or water			\$200.00
Fire, loss or burglary			\$1,000.00
Other emergency payments			\$200.00
School costs			\$200.00
School stationery			\$200.00
School uniforms (for each dependent child)			\$300.00
Telephone installation			\$200.00
Tenancy tribunal fees			\$20.44
Travel for stranded persons			\$200.00
Washing machines and fridges			\$400.00

## Notes

1. 'Married' includes people who are married, living as married or in a civil union.
2. The maximum payments shown are applicable from 1 April 2011.

## **Benefit advances**

### **What costs are covered?**

Benefit advances of up to six weeks' worth of the main benefit received are available to all recipients of a main benefit.

Advance payments of main benefits enable benefit recipients to meet one-off needs that:

- are immediate and essential
- cannot be met from their regular incomes.

The advance is recovered:

- from subsequent payments of the benefit, or
- through ongoing repayments if the client ceases to receive a benefit.

# Use of lump-sum hardship assistance

## Overall trends

### **Note – the numbers receiving benefits and other financial assistance affects the numbers receiving hardship assistance**

Trends in the numbers receiving hardship assistance are affected by the changes in overall incomes and costs faced by individual families.

Since October 2004, the introduction and expansion of the Working for Families package has contributed to a reduction in the use of hardship assistance by families with children. This has occurred at the same time as the levels of assistance available for childcare costs (eg the Childcare Subsidy and OSCAR Subsidy) have risen.

### **Numbers of lump-sum hardship assistance payments remained relatively flat between 2009/2010 and 2010/2011**

This pattern (see table HA.3) largely reflected the patterns in the numbers of clients receiving main benefits. The numbers receiving main benefits are historically connected with the numbers receiving Special Needs Grants and benefit advances.

### **Around half of the lump-sum hardship assistance payments were non-recoverable Special Needs Grants**

Fifty-eight percent of the lump-sum hardship assistance payments provided in 2010/2011 were non-recoverable Special Needs Grants (see table HA.3). This compared with 50% in 2006/2007.

There was a corresponding fall (from 44% to 32%) in the proportion that were benefit advances, which are recoverable.

**table HA.3: Types of lump-sum hardship assistance payments made**

Type of lump-sum hardship assistance	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
	<b>Non-recoverable lump-sum hardship assistance<sup>1</sup></b>				
<b>Special Needs Grants (non-recoverable)</b>	<b>346,177</b>	<b>362,505</b>	<b>526,873</b>	<b>642,612</b>	<b>641,568</b>
<b>Recoverable lump-sum hardship assistance<sup>1</sup></b>					
Special Needs Grants (recoverable)	17,102	19,982	35,724	35,018	37,732
Recoverable Assistance Payments	24,495	28,315	34,862	34,860	30,935
Benefit advances	304,448	299,552	371,432	434,574	387,327
<b>Total recoverable assistance</b>	<b>346,045</b>	<b>347,849</b>	<b>442,018</b>	<b>504,452</b>	<b>455,994</b>
<b>All lump-sum hardship assistance<sup>1</sup></b>					
<b>Total</b>	<b>692,222</b>	<b>710,354</b>	<b>968,891</b>	<b>1,147,064</b>	<b>1,097,562</b>

Note

1. The number of lump-sum hardship assistance payments recorded in SWIFTT in years ended June.

## Use of Special Needs Grants and benefit advances

### The combined number of Special Needs Grants and benefit advances decreased slightly between 2009/2010 and 2010/2011

This decrease (see table HA.4) reflected a combination of:

- the patterns in the numbers of clients receiving a main benefit
- the increased use of hardship assistance by low-income working families.

### Over one in three recipients of a Special Needs Grant and benefit advance were receiving a Domestic Purposes Benefit

In 2009/2010 and 2010/2011, 36% of the recipients of Special Needs Grants and benefit advances were receiving a Domestic Purposes Benefit (see table HA.4). Another 16% were receiving Sickness Benefits, while 14% were receiving Unemployment Benefits.

**table HA.4: Financial assistance paid to clients receiving a Special Needs Grant or benefit advance**

Financial assistance paid when Special Needs Grant or benefit advance provided	Payments of Special Needs Grants and benefit advances <sup>1</sup>				
	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
Unemployment Benefits	71,909	51,200	96,798	158,492	149,245
Domestic Purposes Benefits	260,275	260,799	346,224	410,680	385,141
Sickness Benefits	100,369	108,693	150,451	178,374	169,749
Invalid's Benefit	107,643	116,242	144,478	156,953	148,864
Other main benefits <sup>2</sup>	27,328	26,987	35,550	39,458	35,462
New Zealand Superannuation or Veterans' Pension	24,701	26,968	35,460	43,025	43,921
None of the above assistance <sup>3</sup>	75,502	91,150	125,068	125,222	134,245
<b>Total</b>	<b>667,727</b>	<b>682,039</b>	<b>934,029</b>	<b>1,112,204</b>	<b>1,066,627</b>

## Notes

1. The number of Special Needs Grants and benefit advances recorded in SWIFTT in years ended June.
2. Comprises Unemployment Benefit – Training, Unemployment Benefit – Hardship – Training, Unemployment Benefit – Student Hardship, Independent Youth Benefit, Widow's Benefit and Emergency Benefit.
3. Includes clients receiving other supplementary benefits, an Unsupported Child's Benefit or an Orphan's Benefit.

## Reasons for hardship payments

### An increasing proportion of the Special Needs Grants and benefit advances provided were for food

Fifty-two percent of Special Needs Grants and benefit advances in 2010/2011 were for food (see table HA.5). This compared with 42% in 2007/2008. This increase reflected a combination of:

- an increase in the numbers of clients on benefits and the numbers of low-income families as a result of the economic recession
- an increase from August 2008 in the maximum value of Special Needs Grants available for food.

During the same period, the proportion of this assistance paid for 'other' emergency situations decreased (from 37% to 30%).

**table HA.5: Purposes of Special Needs Grants and benefit advances**

Purpose of Special Needs Grant or benefit advance	Number of Special Needs Grants and benefit advances <sup>1</sup>				
	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
Advances	7,546	8,040	10,450	11,522	9,216
Ambulance subscription fees	0	0	0	0	504
Disabled civilian amputee <sup>2</sup>	90	161	162	166	222
Domestic violence programme	0	0	0	0	310
Driver licence	0	0	2,884	5,646	6,172
Effluent treatment	0	0	346	410	352
Food	272,514	285,460	432,902	549,204	553,854
Health-related assistance	13,727	14,629	17,368	18,907	14,083
Medical and associated costs	83,629	82,822	96,567	110,976	104,469
Other emergency situations	245,339	248,273	321,167	354,874	316,547
People affected by benefit stand-downs	1,038	548	2,778	3,453	8,681
Re-establishment accommodation element	658	647	754	746	722
Re-establishment grants	12,036	11,480	11,758	11,989	11,602
Rural sector (including Civil Defence emergencies and drought relief)	6	240	617	556	660
Sickness Benefit/Invalid's Benefit assessment travel	179	100	145	145	141
School education costs	27,290	26,158	32,206	38,811	34,904
Transfer to New Zealand Superannuation	417	166	316	454	680
Urgent house repairs and maintenance	2,883	2,787	3,446	4,028	3,395
Other reasons <sup>3</sup>	375	528	163	317	113
<b>Total</b>	<b>667,727</b>	<b>682,039</b>	<b>934,029</b>	<b>1,112,204</b>	<b>1,066,627</b>

## Notes

1. The number of Special Needs Grants and benefit advances recorded in SWIFTT in years ended June.
2. This item was created as Special Needs Grants but was later transferred to another payment code.
3. Includes items (Home Help payments and terminal benefit arrears) which were created as Special Needs Grants but were later transferred to other payment codes.



# Employment services

# Background

## Services available

Work and Income provides a range of employment and training assistance to help clients to gain paid employment.

This assistance may be of varying intensity. Less intensive assistance includes:

- one-to-one help with job search and preparation to enter employment
- referrals of clients to vacancies notified to Work and Income.

More intensive employment and training assistance includes:

- employment or training assistance that helps clients to prepare for work, to find jobs or to enter employment
- subsidies (paid for a limited period) that help employers with the costs of wages paid to clients they employ
- assistance for clients to set up their own businesses, including access to business development advice and to subsidies (paid for a limited period) that help with initial capital requirements and operating costs
- Transition to Work assistance, which helps clients to meet the costs of finding, taking up and staying in paid employment.

## Were any work services introduced specifically in response to the recession?

In July 2009, Work and Income introduced:

- Job Opportunities
- Community Max.

Both these programmes were closed to new participants on 30 June 2011.

## Who is eligible?

Work and Income helps a range of people to find and stay in paid work.

To qualify for less intensive assistance, a client must be:

- a New Zealand citizen or permanent resident (ie not be in New Zealand unlawfully or on a temporary permit)
- ordinarily resident in New Zealand
- of working age (18–64 years)
- actively seeking or preparing for work.

In addition, to qualify for more intensive work assistance, a client must generally be:

- in receipt of a main benefit
- disadvantaged in the local labour market and at risk of long-term benefit receipt.

Where appropriate, intensive work services may be provided to clients who are aged under 18 years, or who are not receiving a main benefit, but who are:

- disadvantaged in the local labour market
- at risk of long-term benefit receipt.

## **Who can receive intensive work services because of disadvantage in the labour market?**

A range of factors are taken into account in determining whether a person can receive intensive work services because they are disadvantaged in the labour market. These factors include:

- barriers the person may have to taking up employment
- length of any previous time in receipt of a benefit
- circumstances contributing to the person being unemployed (eg redundancy, recent release from prison)
- type of employment the person is seeking
- local labour market conditions (what is realistic for the person)
- the person's skill levels and qualifications and the relevance of these to local labour market opportunities
- length of any previous time out of the labour market resulting in a lack of labour market experience.

## **Can people already working receive work services?**

Work services may also be provided to support people who are currently working. These work services are provided to assist the client to:

- seek another job (eg where redundancy is pending), or
- keep the job they are in (eg where health or disability issues may otherwise threaten the person's future in the job).

Work and Income offers a range of other services to help job seekers into paid employment – including job search skills, work confidence programmes and opportunities for on-the-job training.

# Job Opportunities and Community Max

## Job Opportunities

### Introduction

Job Opportunities was a job placement programme that aimed to improve opportunities for clients to enter paid work by:

- building work confidence
- providing work experience
- demonstrating to employers the client's ability to work.

The job placement was for six months. The employer received \$3,000 up front to employ a young person for six months, and a further \$2,000 when the placement was completed.

This programme was closed to new participants on 30 June 2011.

### Who was eligible?

The Job Opportunities programme was targeted at clients with limited work experience who were aged 18–24 years and who were:

- receiving an Unemployment Benefit or a training-related benefit<sup>5</sup>
- not receiving a benefit but who:
  - had attended a Work for You seminar
  - intended to apply for an Unemployment Benefit or a training-related benefit
  - were at risk of long-term unemployment.

Sixteen and 17 year olds transitioning into work were also eligible for Job Opportunities, whether or not they were receiving a benefit.

Clients could take part in the Job Opportunities programme more than once, but they:

- must have had at least one month between Job Opportunities placements (to allow for job search)
- could not have more than one Job Opportunities placement with the same employer.

### Which employers could take part?

Most employers were eligible to take part, apart from:

- central government departments and agencies
- state-owned enterprises, except when exclusion would have led to an unfair commercial situation (eg a direct competitor was receiving money from Job Opportunities placements).

An employer could not receive a Job Opportunities subsidy for a position from which they had made a worker redundant in the previous month.

---

5. Unemployment Benefits comprise Unemployment Benefit and Unemployment Benefit – Hardship. Training-related benefits comprise Unemployment Benefit – Training and Unemployment Benefit – Hardship – Training.

An employer could have more than one staff member on a Job Opportunities placement at the same time, provided each position met the Job Opportunities criteria.

## Community Max

### Introduction

The Community Max programme supported the completion of projects that:

- created jobs for young people
- benefited the community or the environment
- would not otherwise be undertaken or completed.

Community Max provided assistance with employing young people to undertake these projects, through:

- wage subsidies
- supervision expenses
- training expenses.

Community Max placements were usually for six months, but could be for a shorter period if this was considered to be in the best interests of the client.

Community Max aimed to provide the young people employed to undertake these projects with work experience and on-the-job skills that would lead to unsubsidised employment.

This programme was closed to new participants on 30 June 2011.

### Which clients were eligible?

Community Max was targeted at clients who were aged 18–24 years and who were:

- receiving an Unemployment Benefit or a training-related benefit<sup>6</sup>
- not receiving a benefit but who:
  - had attended a Work for You seminar
  - intended to apply for an Unemployment Benefit or a training-related benefit
  - were at risk of long-term unemployment.

Sixteen and 17 year-olds transitioning into work were also eligible for Community Max, whether or not they were receiving a benefit.

Clients could take part in the Community Max programme more than once if they:

- would continue to gain new skills and work experience
- had at least one month between placements (to allow for job search).

---

6. Unemployment Benefits comprise Unemployment Benefit and Unemployment Benefit – Hardship. Training-related benefits comprise Unemployment Benefit – Training and Unemployment Benefit – Hardship – Training.

## **Which projects were eligible?**

To be eligible to receive a Community Max subsidy, an employer had to ensure they:

- complied with all the employment legislation, including minimum wage legislation
- had the necessary resources to complete the project
- did not have a 90-day employment trial in the employment agreement attached to the position to be subsidised.

Positions filled using Community Max subsidies were full-time (30 or more hours a week) positions.

Employers receiving Community Max subsidies were encouraged to provide relevant training for the clients being subsidised.

## **Numbers participating in Job Opportunities and Community Max**

In the year ended June 2011:

- 5,822 positions were filled through Job Opportunities placements
- 1,469 positions were filled through Community Max placements.

# Registered jobseekers

## Who are registered jobseekers?

Registered jobseekers include:

- people required to register as jobseekers because they, or their spouses or partners, are receiving a work-tested benefit
- people who choose to register with Work and Income as part of seeking work, to get help with finding work
- some people who do not qualify for an Unemployment Benefit or count as officially unemployed.

Registered jobseekers are:

- working fewer than 30 hours a week
- seeking to work more hours
- available for and actively seeking work.

Registration as a jobseeker denotes an administrative status. The number of registered jobseekers should not be confused with the number of recipients of a main benefit, nor with the number of officially unemployed.

## Note on jobseeker statistics

The numbers of people required to register as jobseekers has fluctuated considerably in the past decade. This fluctuation is due in part to different work-testing regimes redefining the criteria for registration and to Work and Income changing its client engagement models. Comparisons over time in such numbers are therefore not readily interpreted.

# Job Search Service

## Introduction

The Job Search Service is a 13-week programme to help:

- keep people in work
- support people back into work as quickly as possible.

The programme involves:

- seminars
- planning and assessment sessions
- monitoring clients' job search progress.

The Job Search Service was progressively rolled out across all Work and Income sites during the year ended June 2006. Enhancements were made to the Job Search Service in November 2009.

## How the Job Search Service works

The Job Search Service has several components. Different modules provide clients with details of:

- local job opportunities
- how Work and Income can help them to get and stay in employment
- the benefit application process if they have not already applied for a benefit
- their obligations and what is expected of them while they receive a benefit.

Clients are offered modules likely to address their needs as identified at their first assessment.

## Who is eligible?

Clients applying for a work-tested benefit may be required to participate in the Job Search Service as a pre-benefit obligation. Clients applying for a non-work-tested benefit are also encouraged to attend.

The Job Search Service is not mandatory for all clients but may be assigned as a pre-benefit obligation.

## Support available to participants

A client may be supported in their job search activity through:

- phone contact with Work and Income staff members
- seminar attendance, or
- additional assistance co-ordinated by a case manager.



Assistance co-ordinated by a case manager may include:

- general job skills or work readiness training
- training in skills relevant to a specific occupation, or
- addressing the role of attitude and motivation in job search activity.

## **What happens at the end of the programme?**

Clients who go on to apply for an Unemployment Benefit participate in a planning and assessment process. This process leads to a service plan agreement.

The service plan agreement sets out the actions the clients will take to:

- get work, or
- become work ready.

Clients are required to undertake these activities based on their individual circumstances.

# Transition to Work assistance

## Introduction

Transition to Work assistance is paid to help clients to:

- make successful transitions from being on a benefit to being in employment
- stay in employment.

Transition to Work assistance is available to clients seeking or taking up paid work. It consists of:

- Transition to Work Grants
- New Employment Transition Grants
- Seasonal Work Assistance.

Transition to Work Grants replaced Work Start Grants and Pathways Payments from April 2007.

## Transition to Work Grants

### Introduction

A Transition to Work Grant is available to help clients with the costs of seeking or taking up paid work. This assistance is available to people who are unlikely to be able to seek or take up work without such assistance.

Transition to Work Grants have been available since April 2007.

### Who is eligible?

A Transition to Work Grant may be available to:

- clients receiving a main benefit
- students
- other people who meet the qualifying criteria and either:
  - face small gaps between jobs (up to four weeks), or
  - are re-entering the workforce.

To receive a Transition to Work Grant, a client is required to:

- be aged 18 years or over, or aged under 18 years and have exceptional circumstances
- have a verified job interview or job offer (excluding self-employment) for a position involving a minimum number of hours of employment a week
- have an essential cost because of the job interview or job offer
- be unlikely to make the transition into paid work or to be able to attend the interview without receiving a Transition to Work Grant.

A person aged under 18 years may be treated as being in exceptional circumstances if they:

- have a school early-leaving exemption
- have one or more dependent children
- are married, living as married or living in a civil union
- rely on government financial assistance, or
- are in extreme hardship.

Clients generally cannot receive a Transition to Work Grant if they are entering self-employment.

### **Income, asset and residency tests and other requirements**

Income, asset and residency tests apply.

Income and asset limits for a Transition to Work Grant are shown in table TW.1.

**table TW.1: Income and asset limits for Transition to Work Grants (applicable from 1 April 2011)**

<b>Status of client</b>	<b>Income limit<sup>1</sup></b>	<b>Asset limit</b>
Single 16–17 years	\$460.09	\$1,007.28
Single 18 years or over	\$528.79	\$1,007.28
Married with or without children	\$768.03	\$1,678.39
Sole parent, one child	\$641.65	\$1,678.39
Sole parent, two or more children	\$676.01	\$1,678.39

Note

1. The income limits shown are weekly and gross of income tax.

Parental cash assets and income are taken into account if the client is:

- aged under 18 years
- a dependent child
- not receiving an Independent Youth Benefit.

### **Costs which may be met by a Transition to Work Grant**

The costs that may be met by a Transition to Work Grant are:

- the additional costs of seeking or entering employment (eg clothes, transport)
- specific transition-to-work costs related to relocation and safety equipment
- living costs incurred between the last benefit payment and the first pay from a new job.

A maximum of \$1,500 in Transition to Work Grants is available in any 52-week period.

## **Can a Transition to Work Grant be paid in connection with part-time work?**

A Transition to Work Grant may be paid to a client seeking part-time work when it is reasonable and appropriate for the client to be seeking part-time work. This may apply when:

- there is no suitable full-time work available
- the client is working with Work and Income to progress towards full-time employment, or
- the client is unable to work full time but is able to work limited hours.

The part-time position must involve at least 15 hours of work a week.

In these circumstances, a Transition to Work Grant may be paid for:

- job-placement costs
- job-seeking costs.

In other circumstances, the position must involve at least 30 hours of work a week.

## **Work Start Grant**

### **Introduction**

Before April 2007, a Work Start Grant was available to meet the essential costs of taking up paid employment or attending a job interview.

A Work Start Grant was available to a client who, without help to meet the costs involved, would not be able to:

- enter paid employment, or
- attend job interviews.

Job interviews and job offers needed to be for positions involving at least 15 hours of work a week.

In any 52-week period, a maximum of \$300 worth of grants was available in most circumstances.

A maximum of up to \$550 worth of grants in any 52-week period was available when a client obtained a grant for:

- relocation
- safety equipment, or
- bridging finance.

A Work Start Grant was non-taxable and non-recoverable.

After April 2007, Work Start Grants were incorporated into the assistance delivered as Transition to Work Grants.

## Who was eligible?

To receive a Work Start Grant, a client was required to:

- be aged 16 years or over
- have an essential cost because of the job interview or job offer
- have a verified job interview or a verified job offer (excluding self-employment)
- be unlikely, without receiving a Work Start Grant, to:
  - make the transition into paid work, or
  - be able to attend the interview.

Residency, income and cash asset tests applied.

## Pathways Payment

### Introduction

A Pathways Payment was available to help clients entering paid employment with the living costs they encountered between the cancellation of their benefit and the receipt of:

- their first wages or salary payments, or
- their first payments as self-employed people.

The Pathways Payment was equal to two weeks' payment (after tax) of the benefit that had been cancelled. This payment was calculated using the rate of benefit received in the week before the benefit had been cancelled.

A Pathways Payment was:

- non-taxable
- non-recoverable
- not subject to income or asset tests.

After April 2007, Pathways Payments were incorporated into Transition to Work Grants.

### Who was eligible?

To receive a Pathways Payment, a client, or their spouse or partner, needed to:

- cancel a main benefit to enter paid employment
- inform Work and Income before beginning paid employment
- have a dependent child or children
- have received one or more main benefits for a continuous period of 12 months or more before entering paid employment.

### What about clients paying off debts to Work and Income?

If a client with a debt to Work and Income received a Pathways Payment, their debt repayments were suspended for a period of three months.

# New Employment Transition Grant

## Introduction

A New Employment Transition Grant is available to help replace income lost through:

- personal illness
- the need to care for a sick partner or spouse
- the need to care for a child because of:
  - sickness
  - a breakdown in childcare arrangements.

New Employment Transition Grants are available:

- to clients with one or more dependent children
- during the first six months after the clients stop receiving a benefit to enter employment.

The maximum daily rate of a New Employment Transition Grant is limited to the lesser of:

- the actual loss of gross income
- \$66 a day (as at 1 April 2011).

A total of no more than \$660 in New Employment Transition Grants may be paid to a client within the six-month qualifying period.

Grants are non-taxable and non-recoverable.

## Who is eligible?

A client must be unable to work because of:

- illness (their own, or that of a partner, spouse or child who requires their care)
- a breakdown in childcare arrangements or sickness.

To receive a New Employment Transition Grant because of illness, the client must have:

- no paid sick leave available, or
- exhausted their entitlement to paid sick leave.

A client in self-employment must also declare that:

- they have been unable to be involved in their business in the period because of their illness, the illness of their partner, spouse or child, or the breakdown in childcare arrangements
- there was in fact a loss of income (rather than a delay of income because work was re-scheduled)
- provision was not available from the business to cover the loss of income.

Residency and cash asset tests apply to all New Employment Transition Grants.

# Seasonal Work Assistance

## Introduction

Seasonal Work Assistance is available to replace income lost through a client being unable to undertake seasonal horticultural work because of adverse weather conditions.

This assistance is non-taxable and non-recoverable.

## Who is eligible?

Seasonal Work Assistance is available:

- to clients working in horticultural industries included in a list approved by MSD's Chief Executive
- during the first six months after clients stop receiving a benefit because they have begun seasonal horticultural work.

At the end of June 2011, this assistance was available to people working in the fruit, vegetable, wine, flower, hops, hemp, tobacco, olive and nursery plant industries.

Residency, income and cash asset tests apply.

## Payment rates for Seasonal Work Assistance

The amount of Seasonal Work Assistance payable depends on:

- the client's family circumstances
- the actual net income lost during the week.

The amount of assistance to be paid per week is the lesser of:

- the actual net income lost for the week, or
- the maximum weekly payment of Seasonal Work Assistance the client may receive.

The maximum weekly payments available as at 1 April 2011 are shown in table TW.2.

**table TW.2: Maximum rates of Seasonal Work Assistance payable (applicable from 1 April 2011)**

Hours of work lost (over one week)	Maximum weekly payment		
	Single person	Sole parent	Married person, or person in civil union (each applicant)
1–8 hours	\$45.00	\$71.00	\$81.00
9–16 hours	\$90.00	\$162.00	\$162.00
17–24 hours	\$135.00	\$243.00	\$243.00
25–32 hours	\$180.00	\$324.00	\$324.00
33–40 hours	\$225.00	\$405.00	\$405.00
Over 40 hours	\$225.00	\$405.00	\$405.00

A total of no more than \$810 in Seasonal Work Assistance may be paid to a client within the six-month qualifying period.

## **Payments of Transition to Work assistance**

Trends in the number of clients receiving Transition to Work assistance reflected a combination of:

- trends in the number of clients entering paid work
- the emphasis by Work and Income on helping clients to get and stay in paid work.

### **Note – statistics show the number of payments of assistance, not the number of clients receiving it**

Some clients may have received more than one payment of Transition to Work assistance during the same financial year. The number of payments for a period will therefore be greater than the number of clients receiving assistance.

## **Transition to Work Grants, Work Start Grants and Pathways Payments provided**

### **The number of payments increased between 2008/2009 and 2010/2011**

This increase (see table TW.3):

- slowed in 2010/2011
- reflected changes in the numbers of clients cancelling a main benefit to enter paid work.



**table TW.3: Types of expenditure met by Transition to Work Grants, Work Start Grants and Pathways Payments provided**

Type of assistance	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
	<b>Work Start Grants<sup>1</sup></b>				
<b>Total Work Start Grants<sup>1</sup></b>	<b>42,097</b>	<b>38</b>	<b>2</b>	<b>0</b>	<b>0</b>
<b>Transition to Work Grants<sup>2</sup></b>					
Bridging finance – benefit recipient	1,199	6,516	6,432	8,409	8,094
Bridging finance – other	1,103	7,876	7,375	7,789	8,115
Job placement costs	8,232	52,202	49,866	64,334	65,489
Job search costs	2,160	13,952	17,062	26,320	29,145
Unspecified	9	0	0	0	0
<b>Total Transition to Work Grants<sup>2</sup></b>	<b>12,703</b>	<b>80,546</b>	<b>80,735</b>	<b>106,852</b>	<b>110,843</b>
<b>Pathways Payments<sup>3</sup></b>					
<b>Total Pathways Payments<sup>3</sup></b>	<b>6,673</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>All payment types</b>					
<b>Total payments made (all types)</b>	<b>61,473</b>	<b>80,584</b>	<b>80,737</b>	<b>106,852</b>	<b>110,843</b>

## Notes

1. The number of Work Start Grants recorded in SWIFTT during years ended June. Work Start Grants were superseded by Transition to Work Grants from April 2007.
2. The number of Transition to Work Grants recorded in SWIFTT during years ended June. Transition to Work Grants were available from April 2007.
3. The number of Pathways Payments recorded in SWIFTT during years ended June. Pathways Payments were superseded by Transition to Work Grants from April 2007.

## New Employment Transition Grants provided

### The number of New Employment Transition Grants provided increased between 2009/2010 and 2010/2011

This increase (see table TW.4) reflected at least in part the increased numbers of Domestic Purposes Benefit recipients cancelling their benefits to enter paid work.

**table TW.4: Numbers of New Employment Transition Grants provided**

	New Employment Transition Grants provided <sup>1</sup>				
	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
<b>Total</b>	<b>702</b>	<b>841</b>	<b>655</b>	<b>458</b>	<b>531</b>

Note

1. The number of New Employment Transition Grants paid in years ended June.

## Seasonal Work Assistance payments provided

### The number of Seasonal Work Assistance payments increased between 2009/2010 and 2010/2011

This increase (see table TW.5) reflected a combination of:

- stormy weather patterns during 2010/2011
- an increase in 2010/2011 in the numbers of clients cancelling a main benefit to enter paid work.

**table TW.5: Numbers of Seasonal Work Assistance payments provided**

	Seasonal Work Assistance payments provided <sup>1</sup>				
	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
<b>Total</b>	<b>1,130</b>	<b>1,754</b>	<b>1,184</b>	<b>1,834</b>	<b>2,256</b>

Note

1. The number of Seasonal Work Assistance payments made in years ended June.

# Course Participation Assistance

## Background

### What is Course Participation Assistance?

Course Participation Assistance helps clients pay the costs of participating in employment-related training.

The courses or programmes attracting this assistance are generally less than 12 weeks long. Course Participation Assistance can only be considered for longer courses when the courses do not qualify for Student Loans or Student Allowance.

Course Participation Assistance may be paid to cover:

- course or tuition fees
- transport
- childcare, or
- the care of other dependants.

This assistance:

- contributes towards the actual and reasonable costs of participating in training
- is non-taxable and non-recoverable.

Course Participation Assistance was introduced on 1 April 2007.

### Who can receive Course Participation Assistance?

To receive Course Participation Assistance, a client must:

- be receiving a main benefit or be on stand-down for one
- be attending a short-term employment-related course or programme
- have specific costs because they are participating in that course or programme.

The following factors are also taken into account:

- whether the client would be unable to participate in the course or programme without Course Participation Assistance
- whether the course or programme is:
  - appropriate to the client's personal situation and skill development needs
  - in line with the client's service plan and is a progression towards employment
  - likely to improve the likelihood of the client gaining employment.

The course or programme the client is attending must be:

- provided and approved by Work and Income
- supplied by a provider contracted to Work and Income
- attached to a specific vacancy listed by Work and Income, and Work and Income must consider it appropriate to match the client with the vacancy (eg Work and Income is advised of a vacancy for a truck driver, and the client needs their heavy trade licence to apply), or
- specifically recognised by Work and Income in conjunction with a partnership initiative (eg Job Partnerships with Industry).

### Income and asset tests

Income and asset tests apply.

The income and asset limits for receiving Course Participation Assistance are shown in table CP.1.

**table CP.1: Income and asset limits for Course Participation Assistance (applicable from 1 April 2011)**

Client Status <sup>1</sup>	Income limit <sup>2</sup>	Asset limit
Single, 16–17 years	\$406.09	\$1,007.28
Single, 18 years or over	\$528.79	\$1,007.28
Married, with or without children	\$768.03	\$1,678.39
Sole parent, one child	\$641.65	\$1,678.39
Sole parent, two or more children	\$676.01	\$1,678.39

Notes

1. 'Married' includes clients who are married, living as married, or in a civil union.
2. The income limits shown are weekly incomes, including tax paid.

## Payment rates for Course Participation Assistance

Maximum assistance levels have been set for each of the costs covered by Course Participation Assistance. These maximum payments are shown in table CP.2.

**table CP.2: Maximum payments of Course Participation Assistance (available from 1 April 2011)**

Purpose	Maximum payment <sup>1</sup>
Tuition and enrolment fees	\$200.00
Transport costs <sup>2</sup>	\$60.00
Caring costs <sup>2,3</sup>	\$80.00

Notes

1. The maximum weekly payments available from 1 April 2011.
2. Some clients receive help with both transport and caring costs. The combined amount of assistance paid toward these costs cannot exceed \$80 a week.
3. May be available to cover the costs of formal or informal care arrangements for children, disabled people or older people. Childcare costs covered exclude any costs met by a Childcare Subsidy, an OSCAR Subsidy or a Child Disability Allowance.

## Numbers receiving Course Participation Assistance

**The number of clients receiving Course Participation Assistance increased slightly between 2007/2008 and 2010/2011**

This increase (see table CP.3):

- slowed in 2010/2011
- reflected a combination of changes in:
  - the numbers of clients receiving a main benefit
  - the demand for financial assistance with the costs of education or training.

**Two-thirds of recipients of this assistance in 2009/2010 and 2010/2011 were receiving an Unemployment Benefit**

Around 66% of clients receiving Course Participation Assistance in 2009/2010 and 2010/2011 were being paid an Unemployment Benefit (see table CP.3). This compared to 43% in 2007/2008.

This change reflected an increase in the number of clients receiving an Unemployment Benefit.

**table CP.3: Financial assistance paid to clients receiving a payment of Course Participation Assistance**

Financial assistance paid when Course Participation Assistance received	Number of payments of Course Participation Assistance <sup>1</sup>			
	2007/2008	2008/2009	2009/2010	2010/2011
Unemployment Benefits	1,540	2,751	5,782	5,914
Domestic Purposes Benefits	776	773	906	1,373
Sickness Benefits	525	722	810	663
Invalid's Benefit	288	269	357	268
Other main benefits <sup>2</sup>	495	807	823	822
New Zealand Superannuation or Veterans' Pension	0	0	1	0
<b>Total</b>	<b>3,624</b>	<b>5,322</b>	<b>8,679</b>	<b>9,040</b>

## Notes

1. The number of payments of Course Participation Assistance recorded in SWIFTT in years ended June.
2. Comprises Unemployment Benefit – Training, Unemployment Benefit – Hardship – Training, Unemployment Benefit – Student Hardship, Independent Youth Benefit, Widow's Benefit and Emergency Benefit.

## What the payments covered

### Between 2009/2010 and 2010/2011, Course Participation Assistance payments became slightly less likely to be for fees

Sixty-three percent of the Course Participation Assistance payments made in 2010/2011 were for fees (see table CP.4). This compares with 69% in 2009/2010.

There was a corresponding increase in the proportion of payments made for transport (from 30% to 36%).

Since the introduction of Course Participation Assistance in April 2007, caring costs have accounted for a very small proportion of assistance payments.

**table CP.4: Reasons for payments of Course Participation Assistance**

Reason for payment	Number of payments of Course Participation Assistance <sup>1</sup>			
	2007/2008	2008/2009	2009/2010	2010/2011
Caring	78	83	70	57
Fees	2,066	3,115	6,005	5,755
Transport	1,480	2,124	2,604	3,228
<b>Total</b>	<b>3,624</b>	<b>5,322</b>	<b>8,679</b>	<b>9,040</b>

## Note

1. The number of payments of Course Participation Assistance recorded in SWIFTT in years ended June.

# **Superannuation and pensions**

# Introduction

This section outlines information on:

- War Disablement Pension
- New Zealand Superannuation
- Veterans' Pension.



# War Disablement Pension

## Introduction

A War Disablement Pension is paid to people with disabilities resulting from military service. This pension aims, in part, to acknowledge its recipients' contributions to society as members of the armed forces.

Since 1 July 2008, War Disablement Pension has been administered by Veterans' Affairs New Zealand (VANZ). Before July 2008, MSD administered the War Disablement Pension.

For further information on War Disablement Pension since 1 July 2008, see the VANZ website [www.veteransaffairs.mil.nz](http://www.veteransaffairs.mil.nz).

# New Zealand Superannuation

## Eligibility

New Zealand Superannuation is available to people who:

- have reached the age of eligibility (currently 65 years)
- meet other eligibility criteria (eg residency).

New Zealand Superannuation may be paid to people who:

- do not meet the eligibility criteria, but
- are married<sup>7</sup> to qualified recipients of New Zealand Superannuation.

People receiving New Zealand Superannuation on this basis do so as a 'non-qualified spouse'.

## Income and residency tests

New Zealand Superannuation is not income tested, except when a non-qualified spouse is included in the payment.

Clients receiving New Zealand Superannuation may receive supplementary benefits to help them meet the necessary costs of living. These supplementary benefits are income tested and/or asset tested in the same way as for other clients receiving supplementary benefits.

Residency tests apply to New Zealand Superannuation. To meet residency requirements, a client must have lived in New Zealand:

- for 10 years since they were aged 20 years, including
- five years since they were aged 50 years.

People who do not meet these residency requirements may be eligible to receive an Emergency Benefit if they:

- have reached the qualifying age for New Zealand Superannuation
- are in hardship.

## Historical changes in the administration of New Zealand Superannuation

On 1 April 1992, the qualifying age for New Zealand Superannuation was increased from 60 years to 61 years. The qualifying age then increased by three months every six months from 1 April 1993 until it was fixed at 65 years from 1 April 2001.

---

7. 'Married' includes clients who are married, living as married or in a civil union.

## Payment rates for New Zealand Superannuation

Payment rates for New Zealand Superannuation are set by legislation. At the 'M' tax rate, the combined after-tax amount of New Zealand Superannuation payable to a married couple must be between 65% and 72.5% of the after-tax average ordinary-time weekly wage.

A single person living alone receives 65% of the rate payable to a married couple. A single person sharing accommodation receives 60% of the married couple rate.

Where one spouse or partner is a non-qualified spouse, there are two options available:

- the qualified spouse or partner only may receive payment at half the married couple rate of the pension, without an income test, or
- both the qualified and the non-qualified spouses may receive the non-qualified spouse rate of the pension, subject to an income test.

A client may at any time choose to include or exclude their non-qualifying spouse from their pension payment.

New Zealand Superannuation payments are made gross of tax. Recipients pay tax on this pension at the rate appropriate to their financial circumstances.

Table NZ.1 shows rates for New Zealand Superannuation payable from 1 April 2011.

**table NZ.1: Weekly payment rates for New Zealand Superannuation (payable from 1 April 2011)**

Status <sup>1</sup>	Payment rate excluding tax paid at 'M' rate <sup>2,3</sup>	Payment rate excluding tax paid at 'S' rate <sup>2,3</sup>
Married, each, both qualify	\$261.48	\$242.63
Married, each, only one qualifies <sup>4</sup>	\$248.51	\$229.66
Married, each, only one qualifies, and application accepted before 1 October 1991 <sup>4</sup>	\$261.48	\$242.63
Single, living alone	\$339.92	\$321.07
Single, living with others	\$313.78	\$294.93

### Notes

1. 'Married' includes people who are married, living as married or in a civil union.
2. All amounts shown are weekly rates, payable from 1 April 2011. Payments of New Zealand Superannuation are made fortnightly at double the rates shown above.
3. The rates shown are exclusive of Working for Families Tax Credits paid by Inland Revenue.
4. Where one spouse or partner is a non-qualified spouse (eg they are under the qualifying age or do not meet residency requirements), the amount paid is income tested. As an alternative, the qualified spouse or partner can opt to receive payment for themselves only, receiving a payment of half the married rate but without an income test. The rates shown for single people or where both partners qualify are not income tested.

## Numbers receiving New Zealand Superannuation

### The number receiving New Zealand Superannuation increased between 2007 and 2011

This increase (see table NZ.2) reflected the impact of:

- an increasing number of people qualifying for New Zealand Superannuation as the population ages
- recipients of New Zealand Superannuation living longer, so there was not a matching increase in cessations of New Zealand Superannuation.

### Over one in two of those receiving New Zealand Superannuation was aged 65–74 years

Over this period, between 53% and 55% of New Zealand Superannuation recipients were aged 65–74 years (see table NZ.2). Another 11% of these clients were aged 85 years or over.

**table NZ.2: Ages of clients receiving New Zealand Superannuation**

Age of client at the end of June	Clients receiving New Zealand Superannuation <sup>1</sup>				
	2007	2008	2009	2010	2011
Under 60 years <sup>2</sup>	3,484	3,179	3,226	3,273	3,441
60–64 years <sup>2</sup>	10,303	9,781	9,909	10,105	10,340
65–69 years	153,900	158,186	165,498	171,680	176,441
70–74 years	113,201	117,332	122,396	130,506	140,538
75–79 years	97,382	97,581	97,821	98,498	99,337
80–84 years	68,992	71,026	72,895	74,585	76,866
85–89 years	37,071	38,431	40,222	41,984	43,421
90 years or over	18,384	18,760	18,791	19,889	20,855
<b>Total</b>	<b>502,717</b>	<b>514,276</b>	<b>530,758</b>	<b>550,520</b>	<b>571,239</b>

#### Notes

1. The number of clients recorded in SWIFTT as receiving New Zealand Superannuation at the end of June.
2. Clients receiving New Zealand Superannuation while under the qualifying age of 65 years are non-qualified spouses.

## Proportions of the population receiving New Zealand Superannuation

### New Zealanders aged 65 years or over became more likely to be receiving New Zealand Superannuation

Between 2007 and 2011, the proportion of people aged 65 years or over who were receiving New Zealand Superannuation increased from 92.8% to 95.0%.

### 65–79 year olds were more likely than older people to be receiving New Zealand Superannuation

Between 2007 and 2011, between 94% and 98% of 65–69 year olds were receiving New Zealand Superannuation, compared with 88% of 85–90 year olds and between 87% and 93% of those aged 90 years or over.

This pattern reflected a combination of:

- patterns in the receipt of Veterans' Pension (which eligible clients receive in place of New Zealand Superannuation)
- increases in the number of people aged 80 years or over.

### Note – not all people aged 65 years or over receive New Zealand Superannuation or a Veterans' Pension

A small number of people aged 65 years or over do not receive New Zealand Superannuation or a Veterans' Pension. This group mainly comprises people who:

- are not ex-service personnel
- do not meet the eligibility criteria for New Zealand Superannuation (usually because they do not meet the residency criteria).

See table OT.2 for trends since 1940 in the number of clients receiving New Zealand Superannuation.

## Grants of New Zealand Superannuation

### Grants of New Zealand Superannuation increased between 2007/2008 and 2010/2011

This increase (see table NZ.3) reflected in part changes in the number of people turning 65 years of age during any year.

### Four in five of the clients granted New Zealand Superannuation were previously independent of the benefit system

Seventy-nine percent of clients granted New Zealand Superannuation in 2010/2011 had not received a pension or a main benefit in the previous four years (see table NZ.3). This was a slight increase from 76% in 2006/2007.

There was a corresponding fall in the proportion of these clients who transferred from a pension or a main benefit (from 19% to 16%).

**table NZ.3: Periods since clients last received financial assistance**

Period since client last received any pension or main benefit	New Zealand Superannuation pensions granted <sup>1</sup>				
	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
None (clients transferring from another pension or from a main benefit)	7,907	7,252	7,458	7,454	7,742
Under 1 year	751	681	699	687	723
1–2 years	586	548	660	568	503
2–4 years	983	991	1,027	1,047	987
Had not received financial assistance in the previous 4 years	31,845	30,048	34,747	36,769	38,352
<b>Total</b>	<b>42,072</b>	<b>39,520</b>	<b>44,591</b>	<b>46,525</b>	<b>48,307</b>

Note

1. The number of successful applications for New Zealand Superannuation recorded in SWIFTT during years ended June.

# Veterans' Pension

## Background

Veterans' Pension was introduced on 1 April 1990 and replaced the former War Veterans' Allowance, War Pension, War Service Pension and Economic Pension.

## Historical changes in the funding of Veterans' Pension

On 1 July 1999, the funding for Veterans' Pension was transferred from Vote: Work and Income to Vote: Veterans' Affairs – Work and Income. In subsequent years, the funding of Veterans' Pension remained in Vote: Veterans' Affairs.

Funding for the Veterans' Pension is now in Vote: Veterans' Affairs – Social Development.

## Eligibility

Veterans' Pension is available to ex-service personnel who have served in a war or an emergency and who are:

- aged 65 years or over and qualified for a War Disablement Pension
- aged under 65 years and unable to work because of a disability.

To qualify for a Veterans' Pension, these clients must also:

- have reached the qualifying age for New Zealand Superannuation and be receiving a War Disablement Pension of at least 70%
- have not reached the qualifying age for New Zealand Superannuation and have a physical or psychological disability from any cause that means they are:
  - permanently unable to work
  - unable to work for two years or more.

Surviving spouses or partners of Veterans' Pension recipients may choose to continue receiving a Veterans' Pension at the single person rate.

A policy change in 1992 allowed veterans receiving New Zealand Superannuation to transfer to a Veterans' Pension.

## Income and residency tests

Veterans' Pension is not income tested except where:

- a non-qualified spouse is receiving a Veterans' Pension, or
- a qualified Veterans' Pension recipient is aged under 65 years.

Qualified recipients aged under 65 years who have no spouse included in their pension are subject to a personal earnings test only.

Clients receiving a Veterans' Pension may receive supplementary benefits to help them meet the necessary costs of living. These supplementary benefits are income tested and/or asset tested in the same way as they are for clients receiving supplementary benefits while being paid New Zealand Superannuation or a main benefit.

## Veterans' Pension payment rates

The payment rates for Veterans' Pension are set by legislation. At the 'M' tax rate, the combined after-tax amount of Veterans' Pension payable to a married couple must be between 65% and 72.5% of the after-tax average ordinary-time weekly wage. A single person living alone receives 65% of the rate payable to a married couple, while a single person sharing accommodation receives 60% of the married couple rate.

Veterans' Pension payments are taxable.

Table VP.1 shows rates for Veterans' Pension payable from 1 April 2011.

**table VP.1: Weekly payment rates for Veterans' Pension (payable from 1 April 2011)**

Status <sup>1</sup>	Payment rate excluding tax paid at 'M' rate <sup>2,3</sup>	Payment rate excluding tax paid at 'S' rate <sup>2,3</sup>
Married, each, both qualify	\$261.48	\$242.63
Married, each, only one qualifies <sup>4</sup>	\$248.51	\$229.66
Married, each, only one qualifies, and application accepted before 1 October 1991 <sup>4</sup>	\$261.48	\$242.63
Single, living alone	\$339.92	\$321.07
Single, living with others	\$313.78	\$294.93

### Notes

- 'Married' includes people who are married, living as married or in a civil union.
- All the amounts shown are weekly rates, payable from 1 April 2011. Payments of Veterans' Pension are made fortnightly at double the rates shown above.
- The rates shown are exclusive of Working for Families Tax Credits paid by Inland Revenue.
- Where one partner is a non-qualified spouse (eg they are under the qualifying age or do not meet residency requirements), the amount paid is income tested. As an alternative, the qualified spouse can opt to receive payment for themselves only, at the married rate where only one partner qualifies, but without an income test. The rates shown for single people or where both partners qualify are not income tested.



## Numbers receiving a Veterans' Pension

### The number receiving a Veterans' Pension decreased slightly between 2009 and 2011

This pattern (see table VP.2) reflected a combination of the reduction in the number of transfers from New Zealand Superannuation to Veterans' Pension and the ageing client base. The ageing client base means the number of client deaths is more than the number of new clients.

### Nearly two-thirds of Veterans' Pension recipients were aged 80 years or over

Between 2007 and 2011, between 63% and 65% of Veterans' Pension recipients were aged 80 years or over (see table VP.2). Over this period, the proportion of clients aged 85 years and over grew from 31% to 45%.

Over the same period, between 21% and 24% of Veterans' Pension recipients were aged 70–79 years.

**table VP.2: Ages of clients receiving a Veterans' Pension**

Age of client at the end of June	Clients receiving a Veterans' Pension <sup>1</sup>				
	2007	2008	2009	2010	2011
Under 60 years	284	218	183	138	129
60–64 years	393	462	482	469	394
65–69 years	681	770	851	872	890
70–74 years	887	930	966	978	981
75–79 years	1,514	1,514	1,478	1,273	1,175
80–84 years	3,140	3,029	2,734	2,331	1,969
85–89 years	2,482	2,954	3,245	3,221	3,081
90 years or over	684	859	1,077	1,251	1,434
<b>Total</b>	<b>10,065</b>	<b>10,736</b>	<b>11,016</b>	<b>10,533</b>	<b>10,053</b>

Note

1. The number of clients recorded in SWIFTT as receiving a Veterans' Pension at the end of June.

## Proportions of the population receiving a Veterans' Pension

### Those aged 65 years or over became slightly less likely to be receiving a Veterans' Pension

Between 2009 and 2011, the proportion of those aged 65 years or over receiving a Veterans' Pension decreased slightly (from 1.9% to 1.6%). Between 2007 and 2009, between 1.8% and 1.9% of those aged 65 years or over were receiving a Veterans' Pension.

### Those aged 90 years or over became more likely to be receiving a Veterans' Pension

Between 2007 and 2011, the proportion of those aged 90 years or over receiving a Veterans' Pension increased (from 3.5% to 6.0%). Over the same period:

- the proportion of 80–84 year olds receiving a Veterans' Pension decreased (from 4.1% to 2.4%)
- the proportion of 85–89 year olds receiving a Veterans' Pension fluctuated, rising from 6.0% to 7.1% between 2007 and 2009, then falling to 6.3% in 2011.

This pattern largely reflected the ageing of World War Two veterans and their partners or spouses.

See table OT.2 for trends since 1990 in the number of clients receiving a Veterans' Pension.

## Grants of Veterans' Pension

### The number of grants of Veterans' Pension decreased between 2007/2008 and 2010/2011

This decrease (see table VP.3) reflected a slowing in the number of transfers from a pension or main benefit to a Veterans' Pension. These transfers usually involved a transfer from New Zealand Superannuation to a Veterans' Pension.

### A decreasing majority of clients granted a Veterans' Pension transferred from New Zealand Superannuation, a pension or a main benefit

Seventy-three percent of clients granted a Veterans' Pension in 2010/2011 had transferred within the benefit system (see table VP.3). This compared with 89% in 2007/2008.

These transfers were usually from New Zealand Superannuation to a Veterans' Pension.

There was a corresponding increase in the proportion of these clients who had not received New Zealand Superannuation, a pension or a main benefit in the previous four years (from 9% to 25%).

**table VP.3: Periods since clients last received financial assistance**

Period since client last received any pension or main benefit	Grants of Veterans' Pension <sup>1</sup>				
	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
None (clients transferring from another pension or a main benefit)	1,279	1,439	1,017	413	364
Under 1 year	7	6	5	6	3
1-2 years	5	4	3		4
2-4 years	10	17	15	6	3
Had not received financial assistance in the previous 4 years	179	151	203	157	126
<b>Total</b>	<b>1,480</b>	<b>1,617</b>	<b>1,243</b>	<b>582</b>	<b>500</b>

Note

1. The number of successful applications for a Veterans' Pension recorded in SWIFTT in years ended June.



# **Child, Youth and Family**

# Introduction

## **The functions of Child, Youth and Family**

### **Child, Youth and Family provides a range of services for children and young people**

The work of MSD's Child, Youth and Family (CYF) service line involves a variety of areas, including:

- Care and Protection Services
- Youth Justice Services
- development and funding of community services
- prevention services
- Adoption Services.

# Care and Protection Services

## Scope

Statutory social work services that protect and assist children and young people who are in need of care and protection.

## Description

Care and protection services ensure the safety, security and wellbeing of children and young people:

- who have been maltreated
- who are at risk of being maltreated, or
- whose behaviour is placing them or others at risk of harm.

These services fulfil the requirements of the Children, Young Persons, and Their Families Act 1989 (CYP&F Act) and the Care of Children Act 2004. They also include the services to support other statutory responsibilities of the Chief Executive, such as providing reports to the Family Court under the Care of Children Act 2004.

## Care and Protection Services – engagement and assessment

### What is a notification?

When a person contacts CYF with concerns that a child or young person may be at risk of abuse, neglect or insecurity of care, the CYF national contact centre records it as a notification or as a Police family violence referral.

A range of people contact Child, Youth and Family (CYF) with concerns about the safety or behaviour of children or young people. Reports of concern may come from:

- parents and family/whānau
- members of local communities
- schools
- the Police
- health and other agencies.

Up until June 2010, all Police family violence referrals were recorded as a notification in CYF's database, CYRAS. From July 2010, Police family violence referrals that require no further action by CYF have been recorded separately in CYRAS.

## How are notifications assessed?

The contact centre assesses the reports of concern to determine the immediate safety needs of the child or young person and whether further action is required. Not all of the notifications received will result in further action. It may become evident early on that there are no issues warranting formal intervention. If a response is not required, the notification is recorded as 'no further action'.

## What responses are available?

There are three types of response:

- a formal investigation
- a child and family assessment
- a partnered response involving the provision of services by a community organisation.

An investigation is appropriate when the notification involves an allegation of serious child abuse or neglect which requires joint Police and Child, Youth and Family involvement. The Child Protection Protocol (CPP) sets out which cases are governed by the CPP and the steps to follow when the response requires an investigation.

A child and family assessment is undertaken with a family when there are safety, care and/or wellbeing concerns for a child or young person but where a forensically focused investigation is not required. This option recognises that not all families need a forensic investigation, but that some would benefit from an assessment that looks more holistically at what is happening within the family and seeks strategies to respond to any issues.

If the child is under 5 years old, the completion of a formal investigation or child and family assessment is prioritised.

Partnered response is used where the care and protection concerns are below the level at which a statutory response is required. It provides an alternative response where the needs of a child or young person and their family can be better met through a community provider. The family's needs are identified and matched with community providers who can deliver the appropriate services.

## Numbers of notifications

### The numbers of notifications increased between 2006/2007 and 2010/2011

This increase (see table CY.1) reflected at least in part an increase in the numbers of Police family violence referrals, beginning in 2007/2008.

The Police notify Child, Youth and Family of all instances of family violence where children or young people are present or living in the household. This does not mean that further action is required or that the children or young people necessarily became Child, Youth and Family clients.

The increase also suggested a greater awareness in the community of child abuse.



## Notifications received became less likely to require further action between 2010 and 2011

Between 2010 and 2011, the proportion of notifications received (including Police family violence referrals) which required further action decreased from 44% to 38% (see table CY.1). This proportion remained stable at around 44% between 2007/2008 and 2009/2010.

Between 2006/2007 and 2010/2011:

- the number of notifications requiring further action increased 32%
- the total number of notifications received increased by 110%.

**table CY.1: Numbers of notifications received and requiring further action**

Outcome of initial assessment of notifications received	Number of notifications received <sup>1,2</sup>				
	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
Notifications requiring further action	43,845	40,739	49,224	55,494	57,949
Police family violence referrals <sup>3</sup>	-	-	-	-	57,153
Notifications not requiring further action	28,082	48,722	61,573	69,427	35,645
<b>Total notifications received</b>	<b>71,927</b>	<b>89,461</b>	<b>110,797</b>	<b>124,921</b>	<b>150,747</b>

### Notes

1. The notifications received during years ended June, including Police family violence referrals.
2. More than one notification recorded in the same year may involve the same child or young person, therefore the number of notifications is not necessarily an indication of the number of individual children.
3. From July 2010, Police family violence referrals that required no further action by CYF were recorded separately in CYRAS.

## Around half of the notifications requiring further action involved children aged 5–13 years

Between 48% and 50% of the notifications requiring further action between 2006/2007 and 2010/2011 involved children aged 5–13 years (refer table CY.2). Over the same period, between 33% and 35% of these notifications involved children aged under 5 years (excluding unborn children and children whose age was unknown).

**table CY.2: Ages of children involved in notifications requiring further action**

Age of child or young person at the time of the notification	Number of notifications requiring further action <sup>1,2,3</sup>				
	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
0–1 year	6,289	6,145	8,070	8,828	8,936
2–4 years	8,135	7,583	9,477	10,870	11,497
5–9 years	12,469	11,330	13,802	15,353	15,906
10–13 years	9,507	8,869	10,226	11,395	12,009
14–17 years	6,184	5,612	6,299	7,355	7,899
18 years or over	34	36	43	49	60
Unborn <sup>4</sup>	–	–	–	–	1,534
Date of birth unknown <sup>5</sup>	1,227	1,164	1,307	1,644	108 <sup>6</sup>
<b>Total requiring further action</b>	<b>43,845</b>	<b>40,739</b>	<b>49,224</b>	<b>55,494</b>	<b>57,949</b>

## Notes

1. The number of notifications assessed as requiring further action during years ended June.
2. More than one notification recorded in the same year may involve the same child or young person, therefore the number of notifications is not necessarily an indication of the number of individual children.
3. Notifications requiring further action form a minority of all notifications. Notifications which do not require further action comprise those shown in table CY.1 as 'Police family violence referrals' and 'Notifications not requiring further action'.
4. A new category introduced for 2010/2011 data. Child was unborn at the time of notification.
5. Data for 2006/2007 to 2009/2010 includes children who were unborn at the time of notification.
6. These cases were followed up and a decision made that no intervention was required. Birthdates were not recorded.

### Nearly one half of the notifications requiring further action were concerned with Māori children and young people

Of the notifications requiring further action between 2008/2009 and 2010/2011:

- around 46% concerned children and young people identified as Māori
- 31% concerned children and young people identified as European
- around 11% concerned children and young people identified as Pacific people.

## Findings from the investigation of notifications requiring further action

### Nearly two-fifths of findings were of abuse or neglect of children

In 2009/2010 and 2010/2011, 38% of findings were of abuse or neglect (see table CY.3). This compared with 40% in 2007/2008 and 2008/2009.

Between 2006/2007 and 2010/2011, between 9% and 10% of findings were of behaviour or relationship difficulties.

### Abuse and neglect findings were slightly less likely to be of emotional abuse

Between 2009/2010 and 2010/2011, the proportion of abuse or neglect findings which were of emotional abuse decreased from 60% to 57%. This proportion remained relatively stable between 2006/2007 and 2009/2010.

Of the abuse and neglect findings between 2006/2007 and 2010/2011, around 14% were of physical abuse. Over this period, neglect findings declined as a proportion of abuse and neglect findings (from 28% to 21%).

**table CY.3: Substantiated findings by type**

Type of finding	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
	Number of abuse and neglect findings from investigation of notifications <sup>1,2</sup>				
Emotionally abused	8,256	8,664	10,938	12,535	12,595
Physically abused	2,274	2,321	2,855	2,886	3,225
Sexually abused	1,194	1,003	1,126	1,201	1,505
Neglected	4,486	4,302	4,677	4,403	4,762
<b>Total abuse and neglect findings</b>	<b>16,210</b>	<b>16,290</b>	<b>19,596</b>	<b>21,025</b>	<b>22,087</b>
	Number of other findings from investigation of notifications <sup>1,2</sup>				
Behavioural/relationship	4,461	4,154	4,256	5,007	4,908
Self-harm/suicidal	138	116	106	137	147
Not found	22,921	19,334	25,486	29,313	30,286
<b>Total other findings</b>	<b>27,520</b>	<b>23,604</b>	<b>29,848</b>	<b>34,457</b>	<b>35,341</b>
<b>Total findings from investigations</b>	<b>43,730</b>	<b>39,894</b>	<b>49,444</b>	<b>55,482</b>	<b>57,428</b>

#### Notes

1. The findings of investigations completed during years ended June.
2. The numbers of investigation findings do not reflect the numbers of:
  - children or young people involved (more than one investigation may relate to the same individual)
  - notifications (not all notifications are investigated)
  - notifications requiring further action (one investigation may address more than one notification)
  - investigations (multiple findings may result from one investigation).

## Care and Protection Services – seeking safety and security

### What services are involved, and how are they delivered?

Care and protection services means the provision of social work services resulting from decisions made through an investigation or a child and family assessment. These decisions could lead to one or more of the following:

- Entering into a family/whānau agreement with a family to provide services to a child or young person and their family and to set goals for the wellbeing and ongoing safety of the child or young person. This provides the minimum necessary level of intervention required to address the safety and protection of the child or young person.
- Undertaking a Care and Protection Family Group Conference (FGC) convened by a Care and Protection Co-ordinator under section 20 of the Children, Young Persons, and Their Families Act 1989. An FGC will be convened if it is believed a child or young person is in need of care and protection. An FGC allows the family/whānau and extended family to come together with professionals to make a plan that outlines how the child or young person can be kept safe and well cared for, and how the family can get the support they need.
- Taking the matter to court. Care and protection proceedings are principally dealt with by the Family Court. The Family Court's philosophy is to help people to resolve their own problems by counselling, conciliation and mediation. The determination of any dispute by a judge is the last resort. The court may override the decisions of an FGC if it considers those decisions do not promote the welfare and interests of the child or young person.
- Referring the child and family to a partnered response.

### When are care and protection issues taken to court?

If matters cannot be resolved through agreements or FGCs, they are taken to the court to resolve. This activity also includes the provision of services to support the other statutory responsibilities of the Chief Executive relating to legislation, such as the Care of Children Act 2004 and the Domestic Violence Act 1995, as required by the court. Services are managed to meet both the legislative requirements and the needs of children and young people.

### Numbers of Care and Protection FGCs held

#### The number of FGCs decreased slightly between 2009/2010 and 2010/2011

This decrease (see table CY.4) followed an increase between 2006/2007 and 2009/2010.

#### Most FGCs held between 2006/2007 and 2010/2011 were new conferences

Over this period, between 67% and 72% of FGCs held were new conferences, while between 17% and 21% were review conferences.

**table CY.4: Types of Care and Protection FGCs held**

FGC Type	Number of Care and Protection FGCs held <sup>1,2</sup>				
	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
New FGCs held	4,425	4,866	5,481	5,885	5,667
Reconvened FGCs	702	824	853	796	623
Review FGCs	1,110	1,552	1,333	1,479	1,580
<b>Total FGCs held</b>	<b>6,237</b>	<b>7,242</b>	<b>7,667</b>	<b>8,160</b>	<b>7,870</b>

## Notes

1. The number of Care and Protection FGCs held during years ended June.
2. The number of FGCs does not reflect the number of clients involved. More than one FGC in the same year may involve the same client, and one FGC may involve more than one client.

### **New Care and Protection FGCs became more likely to be concerned with children aged under 5 years**

Between 2006/2007 and 2010/2011, the proportion of new Care and Protection FGCs which were concerned with children aged under 5 years increased from 34% to 39% (excluding unborn children and children whose age was unknown) (see table CY.5). In 2010/2011, another 3% of these FGCs were concerned with unborn children.

Between 2007/2008 and 2010/2011, the proportion of these conferences concerned with 5–13 year olds decreased slightly, from 47% to 43%.

**table CY.5: Ages of children and young people involved in new Care and Protection FGCs**

Age of child or young person when FGC held	Number of new FGCs held <sup>1,2</sup>				
	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
0–1 year	761	787	1,026	1,093	1,129
2–4 years	727	867	1,000	1,091	1,074
5–9 years	1,144	1,234	1,393	1,490	1,383
10–13 years	940	1,089	1,092	1,211	1,035
14–17 years	798	830	891	898	889
18 years or over	5	4	5	7	11
Unborn <sup>3</sup>	–	–	–	–	146
Date of birth unknown <sup>4</sup>	50	55	74	95	0
<b>Total new FGCs held</b>	<b>4,425</b>	<b>4,866</b>	<b>5,481</b>	<b>5,885</b>	<b>5,667</b>

## Notes

1. The number of new FGCs held during years ended June.
2. The number of FGCs does not reflect the number of children and young people involved. More than one FGC in the same year may involve the same child or young person, and one FGC may involve more than one client.
3. A new category introduced for 2010/2011 data. Child was unborn at the time of the FGC.
4. Data for 2006/2007 to 2009/2010 includes children who were unborn at the time of the FGC.

## Number of family/whānau agreements signed

### The number of family/whānau agreements signed fluctuated between 2006/2007 and 2010/2011

Increases and decreases alternated throughout this period (see table CY.6).

### Family/whānau agreements signed became more likely to concern children aged under 5 years

Between 2006/2007 and 2010/2011, the proportion of family/whānau agreements signed which concerned children aged under 5 years (excluding unborn children and children whose age was unknown) increased from 31% to 38% (see table CY.7). Another 2% of agreements signed in 2010/2011 were concerned with unborn children.

Over the same period, 47% of the agreements signed concerned children aged 5–13 years.

**table CY.6: Ages of children involved in family/whānau agreements signed**

Age of child when agreement signed	Number of family/whānau agreements signed <sup>1</sup>				
	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
0–1 year	590	631	799	537	798
2–4 years	796	742	873	650	925
5–9 years	1,292	1,138	1,330	942	1,221
10–13 years	976	810	988	687	921
14–17 years	727	567	593	456	574
18 years or over	3	8	10	4	4
Unborn <sup>2</sup>	–	–	–	–	81
Date of birth unknown <sup>3</sup>	36	52	78	53	2 <sup>4</sup>
<b>Total agreements signed</b>	<b>4,420</b>	<b>3,948</b>	<b>4,671</b>	<b>3,329</b>	<b>4,526</b>

## Notes

1. The number of agreements signed during years ended June.
2. A new category introduced for 2010/2011 data. Child was unborn at the time the agreement was signed.
3. Data for 2006/2007 to 2009/2010 includes children who were unborn at the time the family/whānau agreement was signed.
4. These two cases were siblings of young people who were the subject of a notification to Child, Youth and Family. Ages were not recorded for these two because no further action was required by CYF regarding the sibling who was notified to CYF and these two cases did not become CYF clients.

**Family/whānau agreements signed became more likely to involve Māori children**

Between 2006/2007 and 2010/2011, the proportion of family/whānau agreements signed which involved children or young people identified as Māori increased from 42% to 48%.

Between 2009/2010 and 2010/2011:

- around 28% of family/whānau agreements signed involved children or young people identified as European
- the proportion of agreements involving children or young people identified as Pacific people decreased from 20% to 15%.

## Care and Protection Services – securing stability and wellbeing

This activity delivers services for children and young people placed in the care of the Chief Executive. Children come into CYF care when it is no longer safe for them to live at home. If it is not safe for the child or young person to remain at home, they are placed in an out-of-home placement either with an extended family member, a caregiver, a community organisation, or in residential care.

### When is residential care used?

Residential care placements are used when the behaviour of a child or young person is putting themselves or others at risk or when there is no suitable community placement available to take care of the child or young person's complex needs.

### What social work services are involved?

Social workers develop care plans, which include permanency goals, and deliver and supervise services to help children and young people to deal with the effects of maltreatment. They also apply strategies and interventions to reduce the likelihood of maltreatment reoccurring. These are agreed to via FGC plans and court orders.

## Care and Protection out-of-home placements

### The number of children in out-of-home placements decreased between 2007 and 2011

This reduction accelerated between 2010 and 2011, after slowing between 2008 and 2010 (see table CY.7).

The number of children and young people in care and protection out-of-home placements decreased by 23% between 2007 and 2011 (see table CY.7).

There were 3,885 children and young people in out-of-home placements at the end of June 2011 (see table CY.7). They represented 77% of the 5,020 children and young people in the custody of the Chief Executive for reasons of care and protection at that date.

### Over two-fifths of children in care were placed with family or whānau

Of the children and young people in out-of-home-placements between 2007 and 2011:

- between 41% and 44% were placed with family or whānau
- between 34% and 36% were placed with CYF caregivers (including family home caregivers)
- 14% were placed with Child and Family Support Services.



**table CY.7: Types of out-of-home placements of children and young people in care**

Placement type	Number of children and young people in out-of-home placements <sup>1</sup>				
	2007	2008	2009	2010	2011
Child and Family Support Services <sup>2</sup>	703	667	659	630	546
CYF caregiver placement	1,824	1,523	1,540	1,512	1,405
CYF residential placement	57	45	34	46	55
CYF family home placement	218	177	168	160	143
Family/whānau placement	2,164	1,982	1,896	1,746	1,610
Others <sup>3</sup>	78	128	111	144	126
<b>Total</b>	<b>5,044</b>	<b>4,522</b>	<b>4,408</b>	<b>4,238</b>	<b>3,885</b>

## Notes

1. The numbers of children and young people in placements at the end of June.
2. A Child and Family Support Service means any organisation or body approved by MSD's Chief Executive to provide services under the Children, Young Persons and Their Families Act (1989) (eg an iwi social service, Barnados, Open Home Foundation).
3. Includes boarding schools or other supervised accommodation.

**Over half of the children in care were aged 5–13 years**

Of the children and young people in out-of-home placements between 2007 and 2011 (see table CY.8):

- between 51% and 53% were aged 5–13 years
- between 23% and 26% were aged under 5 years.

**table CY.8: Ages of children and young people in out-of-home placements**

Age of child or young person at the end of June	Number of children and young people in out-of-home placements <sup>1</sup>				
	2007	2008	2009	2010	2011
0–1 year	449	398	421	420	395
2–4 years	747	660	664	670	607
5–9 years	1,370	1,197	1,175	1,080	968
10–13 years	1,248	1,204	1,122	1,092	1,024
14–17 years	1,202	1,044	1,011	964	884
18 years or over <sup>2</sup>	28	19	15	12	7
<b>Total</b>	<b>5,044</b>	<b>4,522</b>	<b>4,408</b>	<b>4,238</b>	<b>3,885</b>

## Notes

1. The numbers of children and young people in out-of-home placements at the end of June.
2. Young people aged 18 years who have special orders in place that allow CYF guardianship to the age of 20 years.

# Youth Justice Services

## Scope

Social work and other services to manage and resolve offending behaviour by children and young people, by providing assessments, support, programmes, placement and care of young offenders.

## Description

Youth Justice Services cover:

- the operation and management of Youth Justice FGCs and the provision of community rehabilitation programmes
- the provision of youth justice residential facilities and the Criminal Justice Unit<sup>8</sup>
- the provision of services to help families to exercise their care and control responsibilities.

## Youth Justice Services – engagement and assessment

This activity includes Police referrals of young people to Child, Youth and Family when:

- the Police are intending to charge a young person and they make a referral for an “Intention to Charge” FGC
- young people are remanded by the Youth Court for a FGC
- a child is deemed to be in need of care and protection because of their offending behaviour.

It also includes:

- the management of arrest cases, including formal risk screening and assessment of arrested clients
- interviews and negotiations with families, community organisations and victims to establish key facts
- attendance at court and receiving directions from the court.

## Numbers of Youth Justice FGCs held

### **The number of Youth Justice FGCs decreased between 2007/2008 and 2010/2011**

This decrease (see table CY.9) reflected a reduction in the number of new FGCs and reconvened FGCs. There was a 40% decrease in the number of reconvened FGCs between 2008/2009 and 2010/2011 alone.

---

8. Section 142A of the Criminal Justice Act 1985 states that the Chief Executive of the Department of Corrections, in agreement with the Chief Executive of MSD, holds the authority to place young prisoners under the age of 17 years and sentenced to imprisonment in the Criminal Justice Unit.

## Virtually all Youth Justice FGCs were new conferences

Eighty-nine percent of Youth Justice FGCs in 2010/2011 were new conferences (see table CY.9). This compared with around 85% between 2006/2007 and 2009/2010.

**table CY.9: Types of Youth Justice FGCs held**

Youth Justice FGC type	Number of Youth Justice FGCs held <sup>1,2</sup>				
	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
New FGCs held	7,803	7,964	7,439	7,139	6,620
Reconvened FGCs	1,242	1,113	1,172	1,037	708
Review FGCs	114	119	118	113	95
<b>Total Youth Justice FGCs held</b>	<b>9,159</b>	<b>9,196</b>	<b>8,729</b>	<b>8,289</b>	<b>7,423</b>

### Notes

1. The number of Youth Justice FGCs held during years ended June.
2. The number of FGCs held does not reflect the number of children or young people, as there may be more than one FGC related to a particular individual in the same year.

## Virtually all new Youth Justice FGCs were concerned with young people aged 14–17 years

Between 2006/2007 and 2010/2011, 96% of new Youth Justice FGCs were concerned with young people aged 14–17 years. Most of the remaining FGCs were concerned with 10–13 year olds.

**table CY.10: Ages of children and young people involved in new Youth Justice FGCs**

Age of young person when FGC held	Number of new Youth Justice FGCs <sup>1,2</sup>				
	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
10–13 years	196	219	204	224	246
14–17 years	7,571	7,723	7,225	6,908	6,367
18 years or over	13	10	8	6	5
Unknown <sup>3</sup>	23	12	2	1	2
<b>Total</b>	<b>7,803</b>	<b>7,964</b>	<b>7,439</b>	<b>7,139</b>	<b>6,620</b>

### Notes

1. The number of new Youth Justice FGCs for years ended June.
2. The number of FGCs held does not reflect the number of children or young people, as there may be more than one FGC related to a particular individual in the same year.
3. Date of birth was unknown at the time of the FGC.

## **Over half of the new Youth Justice FGCs concerned children and young people identified as Māori**

Of the new Youth Justice FGCs in 2009/2010 and 2010/2011:

- 52% concerned children and young people identified as Māori
- 30% concerned children and young people identified as European
- 10% concerned children and young people identified as Pacific people.

## **Youth Justice Services – safety and belonging**

This activity includes the co-ordination of Youth Justice FGCs and services to record, report and review the recommendations of those FGCs and any orders of the court.

The Youth Justice FGC process is designed to ensure an appropriate and agreed action plan is developed to:

- address offending
- reflect offender accountability
- repair harm caused
- reduce the likelihood of reoffending
- improve the young offender's life outcomes.

## **Youth Justice Services – changing behaviour and enhancing wellbeing**

### **What social work services are involved?**

This activity supports the implementation of Youth Court hearings and orders, and of Youth Justice FGC plans. These orders and plans are aimed at addressing offending and at reducing the likelihood of a recurrence of offending.

Services, programmes, placement and care may be used in this activity. These services and programmes include:

- Fresh Start<sup>9</sup> initiatives
- restorative programmes for young people placed in the Sex Offenders Unit, Youth Justice Residences and the National Secure Unit
- rehabilitation programmes, eg behavioural group homes and one-on-one specialised caregivers
- day-based education and activities
- counselling and other specialist remedial services.

---

9. The legislation that supports Fresh Start was passed in March 2010 and came into effect on 1 October 2010.

# Services to students

# Introduction

## Services delivered through StudyLink

MSD provides Student Support payments to students through its StudyLink service line. Students can also receive support through Work and Income.

### What assistance is available for students through StudyLink?

The assistance available to students through StudyLink comprises:

- Student Allowances (including Accommodation Benefit where eligible)
- Student Loans
- benefits, supplementary assistance and emergency assistance through Work and Income
- some scholarships
- job search assistance during study breaks.<sup>10</sup>

### Who is eligible to receive this assistance?

In general terms, eligibility depends on:

- being enrolled in an approved course at an approved education provider
- the age and circumstances of the student and their family.

Further information on eligibility or entitlement for each type of assistance is provided in the following sections.

This report provides statistics for services to students covering the calendar years 2006 to 2010. The eligibility and entitlement descriptions are those that existed in 2010, except where otherwise stated.

Current eligibility and entitlement criteria, which differs in some important respects from the period covered by this report, is available at [www.studylink.govt.nz](http://www.studylink.govt.nz).

---

10. MSD contracts Student Job Search to help tertiary students looking for holiday and in-term employment. Work and Income also helps students in areas where Student Job Search is not available.

# Student Allowance

## Costs covered by Student Allowances

The Student Allowance Scheme provides help with living costs for:

- New Zealand students studying full-time towards recognised tertiary qualifications
- New Zealand students studying full-time at secondary school.

The scheme was introduced in 1989. Its aim is to prevent costs from being a barrier to full-time education for students from low-income and middle-income groups.

## Eligibility and entitlement overview

For current Student Allowance eligibility criteria, please go to [www.studylink.govt.nz](http://www.studylink.govt.nz).

To receive a Student Allowance, a student must be:

- enrolled as a full-time student (with some exceptions for limited full-time study)
- undertaking a recognised programme at an approved education provider.

In addition, students must be aged 18 years or over. There are some exceptions for 16–17 year olds.

A student who is not studying full-time may be eligible for a Student Allowance. This occurs if their education provider supports their application to study less than full-time for any one of the following reasons:

- the student has an illness, disability or some other sufficient cause beyond their control that stops them studying full-time
- it is considered in their best interests, or
- the student is studying more than half of a full-time course and the study will complete a recognised programme.

A student usually has a lifetime limit of 200 weeks' entitlement to a Student Allowance for tertiary study<sup>11</sup>. A student may receive an extension to their 200-week limit if they:

- are enrolled in a Recognised Long Programme<sup>12</sup> or an 'equivalent' long programme as approved by the Ministry of Education
- are retraining for employment in a programme of national interest, or
- need further weeks beyond the 200-week limit because of special circumstances.

---

11. A Student Allowance paid for study at a high school is not included in the 200-week limit. From 1 January 2011, a separate lifetime limit of 92 weeks' entitlement was introduced for study at high school.

12. A 'Recognised Long Programme' is a programme recognised by the Tertiary Education Commission as normally taking more than 200 weeks to complete, such as a Bachelor of Engineering/Master of Engineering, for which a Student Allowance can be paid for up to 250 weeks.

## Income and residency tests

To receive a Student Allowance, a student must be:

- a New Zealand citizen
- a permanent resident of New Zealand who:
  - has lived in New Zealand for at least two years
  - has been entitled to reside indefinitely in New Zealand for at least two years
  - is ordinarily resident, or
- a refugee who is entitled to reside indefinitely in New Zealand.

Income tests are also applied to Student Allowances. These tests consider the income of the student and either:

- the student's spouse or partner<sup>13</sup> (if the couple has children or they are both at least 24 years of age), or
- one or both of the student's parents (if the student is childless and under 24 years of age).

Before 1 January 2009, the age limit referred to in these income tests was 25 years, not 24 years.

Where there are special circumstances that mean it would be inappropriate to expect the student to receive support from one or both parents, the income of the student's parent(s) is not considered.

## Students must meet an academic standard to continue to receive a Student Allowance

To secure continued access to a Student Allowance, a student must:

- continue to meet course requirements
- pass more than half the work of a full-time course.

## Payment rates

A Student Allowance is available at different rates depending on the circumstances of the student.

Compared with students living away from home, the Student Allowance is paid at a reduced rate for students who are:

- living with one or both parents, or
- living in recognised relationships with earning spouses or partners.

Table SA.1 shows the maximum net rate (at tax rate 'M') at which Student Allowances were paid between 1 April 2010 and 31 March 2011.

From 1 October 2010 to 31 March 2011 only, a temporary non-taxable adjustment was paid weekly in addition to a Student Allowance, to compensate for the GST (goods and services tax) increase from 12.5% to 15% from 1 October 2010.

The maximum rates of Student Allowance, the parental income threshold and the personal and couple thresholds are adjusted from 1 April each year to reflect the change in the Consumer Price Index (CPI).

---

13. From 1 April 2007, clients in same-sex de facto relationships are treated the same as married, civil union and opposite-sex de facto couples for Student Allowance purposes.



**table SA.1: Maximum payment rates for Student Allowance (effective from 1 April 2010)<sup>1</sup>**

Type of Student Allowance	Status	Net amount per week	Temporary GST assistance
<b>Single</b>			
Single – parentally income tested <sup>2,3</sup>	Away from home	Up to \$161.76	\$3.27
	At home	Up to \$129.41	\$2.61
Single – not parentally income tested	Away from home	\$194.12	\$3.92
	At home	\$155.29	\$3.14
Independent circumstances allowance		\$161.76	\$3.27
Student with dependent child(ren)		\$278.04	\$5.62
<b>Couple</b>			
Both students	one eligible	\$194.12	\$3.92
	Both eligible (each)	\$161.76	\$3.27
Student with dependent spouse or partner, no children		\$323.52	\$6.54
Both students with dependent child(ren)	one eligible	\$278.04	\$5.62
	Both eligible (each)	\$161.76	\$3.27
Student with dependent spouse or partner and child(ren)		\$323.52	\$6.54
Student with earning spouse or partner, with or without dependent child(ren)	Away from home	\$104.47	\$2.11
	At home	\$70.13	\$1.42

## Notes

1. The payment rates applicable during the 2010 academic year ended December. When this report entered production, this was the latest academic year for which complete information was available.
2. Where the maximum amount of Student Allowance payable depends on the income of the student's parent(s), the Student Allowance is abated by the student's personal income in excess of the threshold in the same way as for other students.
3. Allowances for students aged 16–24 years were subject to the parental income test until 31 December 2008. From 1 January 2009, the age band where this test applied was reduced to test parents' incomes for Student Allowances for students aged 16–23 years.

## Numbers receiving a Student Allowance

### The number receiving a Student Allowance increased steeply between 2008 and 2010

This increase (see table SA.2) reflected a rise in student numbers, which in part reflected a reduction in employment options during the economic recession.

Single students whose allowance was parentally income tested formed a small majority of those receiving a Student Allowance between 2006 and 2010.

In 2009 and 2010, 55% of Student Allowance recipients were single and had their allowance parentally income tested (see table SA.2). This compared with 51% in 2006.

An increase in 2008 in the threshold for the parental income test for students under 25 years made more students under 25 years eligible to receive an allowance.

In 2009 and 2010, around 29% of students receiving allowances were single but did not have their allowance parentally income tested.

**table SA.2: Types of Student Allowance received**

Type of Student Allowance received	Students receiving a Student Allowance <sup>1</sup>				
	2006	2007	2008	2009	2010
Single – parentally income tested away from home	11,404	12,704	14,031	18,280	21,041
Single – parentally income tested at home	18,851	21,158	23,202	26,872	31,921
Single – not parentally income tested away from home	1,959	1,987	2,110	3,456	3,404
Single – not parentally income tested at home	14,887	14,467	14,845	20,249	24,067
Single – student in independent circumstances	2,187	2,121	2,071	2,205	2,078
Single – student with dependent child(ren)	1,542	1,572	1,583	1,868	2,243
Couple – both students <sup>2</sup>	1,684	1,622	1,279	1,512	1,647
Couple – student with dependent spouse or partner <sup>2</sup>	5,638	5,524	5,288	6,497	7,400
Couple – student with earning spouse or partner <sup>2</sup>	1,307	1,350	1,296	1,699	2,147
<b>Total</b>	<b>59,459</b>	<b>62,505</b>	<b>65,705</b>	<b>82,638</b>	<b>95,948</b>

#### Notes

1. The number of students recorded as receiving a Student Allowance during years ended 31 December.
2. Includes couples both with and without children.

## Accommodation Benefit

The Accommodation Benefit is a contribution towards accommodation costs. It is part of the Student Allowance Scheme and is therefore separate and different from the Accommodation Supplement.

Students are generally entitled to an Accommodation Benefit only if they:

- are eligible for a Student Allowance
- live away from home.

A student is not entitled to an Accommodation Benefit if they (or their partner) rent a property owned or managed by Housing New Zealand Corporation.

The exact rate of Accommodation Benefit available depends on the region where the student lives. The maximum payments of Accommodation Benefit available are:

- \$60 a week for single students with a child or children
- \$40 a week for other students.

# Student Loan

## Purpose of a Student Loan

The Student Loan Scheme<sup>14</sup> was introduced in 1992 to provide financial support for students who would otherwise not be able to afford to take up tertiary study.

A student loan includes the following components:

- course fees
- course-related costs (eg textbooks)
- living costs.

## What levels of assistance are provided by a Student Loan?

Table SL.1 sets out the limits that apply to each of the components of a Student Loan.

**table SL.1: Maximum amounts available for a Student Loan, by component (applicable from 1 April 2010)**

Component	Maximum amount available
Tuition fees	Total of the compulsory fees
Course-related costs (annual)	\$1,000
Living costs (weekly)	\$163.38

The living cost component of a Student Loan is reduced by the amount of any Student Allowance the student receives.

## Eligibility and entitlement

For current Student Loan eligibility criteria, please go to [www.studylink.govt.nz](http://www.studylink.govt.nz).

A Student Loan is available to people who are:

- undertaking a recognised programme at an approved education provider
- enrolled:
  - full-time or approved limited full-time
  - part-time for 32 weeks or longer, or
  - part-time for less than 32 weeks, with a course load of 0.25 equivalent full-time study (EFTS) or more.

14. For more detailed information on the Student Loan Scheme, see the Student Loan Scheme Annual Report, published by the Ministry of Education, available at [www.educationcounts.govt.nz/publications/series/2555](http://www.educationcounts.govt.nz/publications/series/2555).

Students studying between 0.25 and 0.3 EFTS can access a Student Loan for fees only.<sup>15</sup>

People who are not eligible to receive a Student Loan include those who are:

- currently bankrupt, or
- in courses already paid for by the Government (such as Training Opportunities).

People involved in the No Asset Procedure or subject to a Summary Instalment Order are eligible to receive a Student Loan.

In Budgets 2010 and 2011, a number of significant policy changes to Student Loans were announced. The current eligibility criteria can be viewed at [www.studylink.govt.nz](http://www.studylink.govt.nz).

## Residency requirements

To be eligible to access a Student Loan, students must be:

- New Zealand citizens
- permanent residents
- Australian citizens, or
- refugees who are entitled to reside indefinitely in New Zealand.

Student Loans are not income tested.

## General eligibility and entitlement

Some of the above groups are only eligible to access a Student Loan to pay course fees. Others may also access a Student Loan for course-related costs or living costs.

To access a Student Loan for living costs, students must meet the above eligibility criteria and be enrolled in full-time courses, or have StudyLink's approval to study with limited full-time status.

Students enrolled in courses that are part-time and 32 weeks or longer can only receive a Student Loan for fees and course-related costs.

Students enrolled in courses that are part-time and less than 32 weeks long can only receive a Student Loan for fees.

Prisoners are eligible to access a Student Loan for compulsory fees and course-related costs, subject to the agreement of the prison authority. Prisoners are not able to receive living costs. People on home detention can access living costs.

Recipients of a main benefit may not be able to continue to receive that benefit when studying full-time. Those eligible to do so may be able to access a Student Loan for compulsory fees and course-related costs, depending on the amount of any Training Incentive Allowance paid towards these costs.

---

15. Between 1 January 2005 and 1 January 2007, students studying between 0.25 and 0.3 EFTS could only access a Student Loan (for fees only) if their courses had a vocational or employment component.

## Number and characteristics of Student Loan recipients

### Note – the Student Loan statistics below reflect drawings in a calendar year only

This information does not reflect:

- drawings students may have made against Student Loans in earlier years, or
- the total levels of debt students had accumulated through the Student Loan Scheme.

### The number of students using a Student Loan increased steeply between 2008 and 2010

This increase (see table SL.2) reflected at least in part the increase in the number of students enrolled for approved education or training.

### A large majority of students using a Student Loan in this period borrowed less than \$10,000 a year

Between 2007 and 2010, 75% of students borrowed less than \$10,000 a year, compared with 78% in 2006.

**table SL.2: Numbers of students receiving a Student Loan, by amount**

Annual amount drawn	Number of students <sup>1</sup>				
	2006	2007	2008	2009	2010
Under \$5,000	68,302	66,813	64,944	69,613	65,674
\$5,000–\$9,999	61,536	64,962	69,218	80,736	93,857
\$10,000–\$14,999	33,419	37,567	39,633	42,715	45,346
\$15,000–\$19,999	2,720	3,149	3,288	4,102	5,553
\$20,000–\$29,999	905	736	798	997	1,218
\$30,000–\$39,999	212	220	195	228	267
\$40,000–\$49,999	139	133	161	125	143
\$50,000 or over	187	211	296	222	337
<b>Total</b>	<b>167,420</b>	<b>173,791</b>	<b>178,533</b>	<b>198,738</b>	<b>212,485</b>

Note

1. The number of students recorded as receiving a Student Loan during years ended 31 December.

## Students using a Student Loan became more likely to also be receiving a Student Allowance

Between 2008 and 2010, the proportion of students using a Student Loan who were also receiving a Student Allowance increased from 30% to 39% (see table SL.3). This compared with 30% between 2006 and 2008.

Between 2006 and 2010, over half of the students using a Student Loan were receiving a parentally income tested Student Allowance.

**table SL.3: Types of Student Allowance received by students with a Student Loan**

Type of Student Allowance received when drawing made	Students making drawings against a Student Loan <sup>1</sup>				
	2006	2007	2008	2009	2010
Single – parentally income tested <sup>2</sup> away from home	16,497	18,436	20,154	23,912	28,731
Single – parentally income tested <sup>2</sup> at home	8,868	10,052	11,281	14,803	17,566
Single – not parentally income tested away from home	12,307	11,899	11,869	17,062	20,466
Single – not parentally income tested at home	1,521	1,577	1,649	2,878	2,822
Single – student in independent circumstances	1,915	1,745	1,656	1,886	1,801
Single – student with dependent child(ren)	1,289	1,227	1,235	1,542	1,896
Couple – both students <sup>3</sup>	1,429	1,303	986	1,107	1,276
Couple – student with dependent spouse or partner <sup>3</sup>	4,186	3,813	3,649	4,733	5,507
Couple – student with earning spouse or partner <sup>3</sup>	1,079	1,072	1,049	1,446	1,860
Not receiving any Student Allowance	118,329	122,667	125,005	129,369	130,560
<b>Total</b>	<b>167,420</b>	<b>173,791</b>	<b>178,533</b>	<b>198,738</b>	<b>212,485</b>

### Notes

1. The number of students recorded as accessing a Student Loan during years ended 31 December.
2. Students aged 16–24 years to 31 December 2008, and students aged 16–23 years from 1 January 2009.
3. Includes couples both with and without children.

## Around half of the students accessing a Student Loan were attending universities

Between 2006 and 2010, between 51% and 53% of students accessing a Student Loan were attending universities (see table SL.4). For 2006, table SL.4 included those attending colleges of education among students attending universities.

Between 2007 and 2010, the proportion of students accessing Student Loans who were attending institutes of technology and polytechnics increased slightly (from 23% to 27%) (see table SL.4).

**table SL.4: Types of institutions attended by students with a Student Loan**

Type of institution	Students with a Student Loan <sup>1</sup>				
	2006	2007	2008	2009	2010
University <sup>2</sup>	85,412	91,432	94,585	103,674	109,001
Institute of technology or polytechnic	39,041	40,415	42,009	50,686	57,686
Private training establishment	36,256	35,270	35,151	35,677	35,802
Wānanga	3,544	3,477	3,422	4,490	5,626
More than one institution <sup>3</sup>	3,167	3,197	3,366	4,211	4,370
<b>Total</b>	<b>167,420</b>	<b>173,791</b>	<b>178,533</b>	<b>198,738</b>	<b>212,485</b>

## Notes

1. The number of students accessing a Student Loan during years ended 31 December.
2. 'University' included colleges of education until 2007. Between 1991 and 2007, colleges of education were incorporated into universities.
3. Students can enrol to study at more than one institution at the same time. Students shown here were enrolled in more than one institution at the time of making drawings against a Student Loan.

## Number of borrowers accessing each component

### Note – the number of students using each component does not add to the total number of students making drawings

Most borrowers used more than one Student Loan component (eg course fees and living costs) during the same academic year. Adding the number of students using each component would count many students more than once.

### The number of students using each component increased between 2006 and 2010

This increase (see table SL.5) reflected the increase in the total number of students accessing a Student Loan, particularly the steep increases between 2008 and 2010. This increase may also have reflected in part the removal of interest from most Student Loans from 1 April 2006.



**table SL.5: Numbers of students accessing each Student Loan component**

Component	Number of students <sup>1</sup>				
	2006	2007	2008	2009	2010
Course fees	156,236	160,855	166,112	185,745	198,575
Course-related costs	103,553	103,651	105,046	124,944	144,382
Living expenses	80,921	87,175	88,850	97,229	101,529

Note

1. The number of students accessing a Student Loan component during years ended 31 December.

# Scholarships

## Background

Since 2004, StudyLink has been involved in the administration or payment of the following scholarships:

- Step Up Scholarships (established 2004, disestablished 2009)
- Bonded Merit Scholarships (established 2006, disestablished 2009).

While no new Step Up or Bonded Merit scholarships have been granted since 2009, students already awarded these scholarships will continue to receive them for the full tenure, as long as they continue to meet the terms and conditions of the scholarship.

For more information about eligibility for scholarships, the costs covered, and their terms and conditions, see *The Statistical Report for the year ending June 2010*.

StudyLink is also involved in the payment of:

- Family and Community Services (FACS) Study Awards
- NZQA Monetary Awards<sup>16</sup>
- TeachNZ Scholarships.

The recipients of these scholarships are decided by FACS, NZQA and the Ministry of Education respectively.

---

16. These were known as the Top Scholar Scheme between 2005 and 2007. The Top Scholar Scheme replaced 'A' and 'B' Bursaries in 2005.

# Benefits available to students

## Unemployment Benefit – Student Hardship

Unemployment Benefit – Student Hardship is paid weekly to help students meet living costs during their study breaks. The amounts paid depend on the students' personal situations, such as age, living arrangements, income and assets.

To qualify for an Unemployment Benefit – Student Hardship, a student generally needs to be:

- aged 18 years or over
- aged 16–17 years and living with a partner, or
- aged 16–17 years and approved for the Independent Circumstances Allowance administered by StudyLink.

In addition, the applicant generally needs to:

- have received a Student Allowance during the academic year
- be entitled to receive a Student Allowance during the next academic year, or
- be suffering hardship.

In addition, all applicants for an Unemployment Benefit – Student Hardship generally need to:

- meet asset and residency tests
- actively seek full-time work during their study breaks
- register with Student Job Search or Work and Income as part of their search for work.

For statistics about the use of Unemployment Benefit – Student Hardship, see 'Other unemployment-associated benefits'.

## Supplementary assistance

The following supplementary assistance is available to students:

- Accommodation Supplement
- Student Allowance Transfer Grant
- Community Services Card
- Away from Home Allowance
- Training Incentive Allowance
- Working for Families Tax Credit
- Transition to Work Grant
- Disability Allowance
- Child Disability Allowance
- Childcare Subsidy and OSCAR Subsidy
- Emergency assistance (eg Temporary Additional Support, Special Needs Grant).

# Student Job Search

MSD contracts Student Job Search to:

- help tertiary students looking for holiday and in-term employment
- help administer the Unemployment Benefit – Student Hardship.

Work and Income also helps students in areas where Student Job Search is not available<sup>17</sup>.

During the summer holiday period, StudyLink, Work and Income and Student Job Search work together on a range of initiatives to help tertiary students to get employment. This includes Student Job Search and Work and Income exchanging information at a regional level about relevant job opportunities, and promoting work opportunities to students.

---

17. On 30 September 2011, Student Job Search (SJS) made changes to its delivery model, including closing its regional offices. Students can go online at [www.sjs.co.nz](http://www.sjs.co.nz) to view all SJS job listings and can contact SJS through its 0800 number.

System changes are planned for the first quarter of 2012. These changes will provide a range of new services aimed at increasing the number of students engaging with SJS to secure jobs and the quantity and value of jobs employers register with SJS. These services include:

- alerts for jobs matching students' preferences
- online job applications
- volunteer jobs to support students to gain work experience
- graduate jobs.

# Student Allowance Transfer Grant

## Costs covered

A Student Allowance Transfer Grant is available to clients (or their partners) if they are in hardship during the stand-down week between stopping a Student Allowance and starting to receive a main benefit.

These grants are non-recoverable and non-taxable.

These grants were introduced on 1 October 2002.

## Eligibility

To qualify for a Student Allowance Transfer Grant, a client must be applying for a main benefit because their Student Allowance will stop for one of the following reasons:

- the client is no longer a secondary or tertiary student
- the client is sick, injured or on a break of three weeks or more
- the client's course of study has ended
- the tertiary provider has lost its accreditation.

In addition, the client must:

- have a dependent partner or one or more dependent children
- be in hardship (ie have cash assets less than the maximum allowed and no other means of supporting themselves).

Clients must apply for a Student Allowance Transfer Grant before the end date for which a Student Allowance is payable, or within five working days after this date.

## Income and asset tests apply

The income and asset limits for these grants depend on the circumstances of the client (see table TG.1).

**table TG.1: Asset and income limits for Student Allowance Transfer Grant (applicable from 1 April 2011)**

Circumstances of client <sup>1</sup>	Income limit <sup>2</sup>	Asset limit <sup>3</sup>
Married couple, without dependent children	\$406.26	\$1,678.39
Married couple, with dependent children	None	\$1,678.39
Sole parent, with one child	None	\$1,332.59
Sole parent, with two or more children	None	\$1,420.74

## Notes

1. 'Married' includes people who are married, living as married or in a civil union.
2. Income limits (per week before tax) at 1 April 2011.
3. Asset limits at 1 April 2011.

## Payment rate for Student Allowance Transfer Grant

The amount of Student Allowance Transfer Grant payable is one week of the main benefit applied for (after tax), less:

- any abatement due to income
- the amount of any other assistance received for ordinary living expenses (eg for food).

## Numbers of Student Allowance Transfer Grants

### The number of grants paid increased between 2008/2009 and 2010/2011

This increase (see table TG.2):

- reflected the increase in the number of students during the same period
- followed a relatively stable number of grants between 2007/2008 and 2008/2009.

**table TG.2: Numbers of clients paid a Student Allowance Transfer Grant**

	Payments of Student Allowance Transfer Grant <sup>1</sup>				
	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
<b>Total</b>	<b>1,330</b>	<b>1,110</b>	<b>1,123</b>	<b>1,540</b>	<b>2,005</b>

## Note

1. The number of Student Allowance Transfer Grants provided in years ended June.

**Almost all the recipients of a Student Allowance Transfer Grant between 2006/2007 and 2010/2011 were taking up other main benefits**

The overwhelming majority of these students were transferring to an Unemployment Benefit – Student Hardship.

The use of and expenditure on Student Allowance Transfer Grants is highly seasonal, with nearly 90% of these grants made between November and January.

This reflects the fact most recipients of Student Allowance Transfer Grants are students who:

- are seeking financial assistance while job-seeking over the summer break
- intend to return to study.



## **Other services**

# Community Services Card

## Introduction

The Community Services Card entitles the holder to:

- higher subsidies for after-hours and out-of-town general practitioners' (doctors') fees than are otherwise available
- subsidised access to some other health services provided by public hospitals
- access to a number of other health services.

## Eligibility

To receive a Community Services Card, a person must be receiving a low to middle income.

This may be from:

- income support, including a main benefit and a Student Allowance
- New Zealand Superannuation or a pension, or
- employment, a business or investments.

Residency tests must also be met.

## **Some people receive a card automatically, while others need to apply**

Community Services Cards are automatically issued to people receiving income-tested financial assistance.

Applications for a Community Services Card are required from:

- people who are working
- people receiving New Zealand Superannuation.

Applications are needed from these people to complete the income test for a card. Many eligible applicants have their cards automatically renewed once the first application has been made.

## **What Community Services Cards are used for**

### **Services from doctors**

Cardholders can receive treatment and prescriptions at reduced costs by using the card.

## **Doesn't everyone have low-cost access through their own doctor without a card?**

Since 1 July 2007, everyone enrolled with a primary health organisation (PHO) can receive low-cost or reduced-cost services from their own PHO without using a card.

People use the card when they:

- need treatment away from home
- need to access urgent medical care from an accident and medical centre or other after-hours service provider
- are new patients enrolled with primary health care providers, including those patients changing from one PHO to another.

Without a card, these patients would be treated as casual patients and charged higher fees for services.

## **Other services obtainable using a Community Services Card**

Other services are targeted using the card. These include:

- family planning – cardholders aged 22 years and over pay a reduced fee of \$5 for a general consultation
- travel assistance for specialist appointments – cardholder status is considered in conjunction with travel distance and age to qualify for the Ministry of Health's National Travel Assistance Scheme
- oral health – cardholders get free or reduced-cost emergency dental services (for the relief of pain and infection); for many low-income people this is their only access to dental care
- home help – district health boards (DHBs) and MSD use the card to target access to home help for people following needs assessments by needs assessment and service co-ordination agencies
- spectacle subsidy for children – the Ministry of Health pays up to \$250 (excluding GST) a year towards the price of spectacles and eye examinations for children 15 years and under covered by a Community Services Card
- other health services targeted to cardholders by individual DHBs – these services include post-hospital discharge home support, medical alarms, free access to sterilisations, and the removal of skin lesions in community settings
- home insulation – government agencies target households that include one or more cardholders for the provision of retrofitted insulation in their houses
- travel assistance for pregnancy termination – Work and Income provides travel assistance to cardholders referred by their primary health care providers for the termination of a pregnancy.

Some local councils and private organisations also offer discounts to Community Services Card holders.

## **Numbers of Community Services Cards on issue**

### **The number of cards on issue declined between 2010 and 2011**

This decrease (see table CS.1) largely reflected decreases in the numbers of benefit recipients and Working for Families Tax Credit recipients holding cards. This was offset by an increased number of students enrolled in tertiary study.

Of the people holding Community Services Cards in 2010 and 2011 (see table CS.1):

- 43% were receiving a main benefit
- 26% were receiving New Zealand Superannuation
- 16% were receiving Working for Families Tax Credits.

**table CS.1: Categories of clients holding a Community Services Card**

Category of client	Community Services Cards on issue <sup>1,2</sup>				
	2007	2008	2009	2010	2011
Low-income earners and students not receiving a Student Allowance <sup>3</sup>	56,850	45,080	35,526	31,236	26,128
Family Support/Family Tax Credit recipients <sup>4</sup>	176,611	189,533	189,914	180,592	164,366
Veterans' Pension recipients	8,023	7,869	10,041	9,924	9,588
Student Allowance recipients <sup>3</sup>	48,134	36,506	46,756	66,445	80,898
Main benefit recipients <sup>5</sup>	363,680	359,238	411,402	442,498	434,972
New Zealand Superannuation recipients <sup>6</sup>	296,117	288,438	272,920	266,605	262,851
Residential Care Subsidy recipients	21,147	19,062	25,082	24,899	24,278
Working families not receiving any of the above assistance	19,090	12,642	13,188	13,836	13,254
<b>Total</b>	<b>989,652</b>	<b>958,368</b>	<b>1,004,829</b>	<b>1,036,035</b>	<b>1,016,335</b>

Notes

1. The number of Community Services Cards on issue at the end of June. Cards are issued to adults in family units and to children receiving a Child Disability Allowance. A family unit can be a single person or a couple and their dependent children, if any. A card can be used until the expiry date even if the client's circumstances change.
2. The number of Community Services Cards on issue has been revised owing to improvements in statistics. The table now includes cards issued to children receiving a Child Disability Allowance and unexpired cards being used following changes in clients' circumstances.
3. Since June 2003, most students who receive a Student Allowance have had a card automatically issued. Students not entitled to a Student Allowance must apply as low-income earners.
4. 'Family Tax Credit' includes both Group 1 (unabated) and Group 2 (abated) recipients who have been subsidised at Group 1 levels since July 1993. This assistance was known as Family Support until 2005.
5. 'Main benefit recipients' includes students receiving an Unemployment Benefit – Student – Hardship or an Emergency Benefit, and includes children in receipt of a Disability Allowance who have their own card.
6. Because of the income testing of Community Services Cards, not all recipients of New Zealand Superannuation are eligible to receive a card.

# SuperGold Card

## Assistance available using the SuperGold Card

The SuperGold Card is a discount and concessions card issued to all eligible seniors and veterans. It is issued to recognise the contributions seniors and veterans have made, and continue to make, to New Zealand society.

The SuperGold Card was launched on 29 August 2007, and:

- gives access to discounts from a wide range of businesses nationwide
- facilitates easy access to government entitlements and to local authority services and concessions.

## How long are SuperGold Cards valid for?

Before June 2010, SuperGold Cards had an expiry date three years after issue.

Since June 2010, SuperGold Cards issued have not had expiry dates unless they are endorsed to show a Community Services Card entitlement. Cards endorsed with a Community Services Card entitlement continue to have expiry dates of between one and three years after issue, depending on income proximity to the threshold.

## Photo SuperGold Cards are available

Since October 2007, SuperGold Card holders have the option of having their photograph added to their card.

Two percent (13,355) of the 573,831 SuperGold Card holders at the end of June 2011 had a photograph added to their card.

## Use of transport concessions

Free off-peak travel on buses, trains and ferries, excluding inter-regional travel, has been available to SuperGold Card holders since 1 October 2008. This concession is funded by the Ministry of Transport.

Nearly 25 million free off-peak trips were taken by SuperGold Card holders between 1 October 2008 and the end of June 2011.

In the year from July 2010 to June 2011, nearly 10 million free off-peak trips were taken.

## Eligibility

To be eligible for a SuperGold Card a person must be:

- aged 65 years or over, or
- aged under 65 years and receiving either:
  - a Veterans' Pension (in their own right or as a non-qualified spouse), or
  - New Zealand Superannuation as a non-qualified spouse.

Residency tests must also be met.

## Community Services Cards and SuperGold Cards are combined for users of both cards

Recipients of New Zealand Superannuation may be granted both a Community Services Card and a SuperGold Card and receive a combined card. These clients have their Community Services Card details printed on the reverse of their SuperGold Card.

When clients renew a SuperGold Card that includes a Community Services Card entitlement, they must complete an income assessment. This confirms they are still eligible for the Community Services Card.

## The number of business partners accepting SuperGold Cards is growing

When the SuperGold Card was launched, there were 188 business partners providing discounts through 2,215 outlets around the country. At the end of June 2011, there were 1,342 business partners and 5,652 outlets.

## Numbers of SuperGold Cards on issue

### The number of SuperGold Cards on issue increased between 2008 and 2011

This increase (see table SG.1) reflected:

- the ongoing uptake of the card
- the ageing of the population, which meant more people became eligible for the card.

Between 2008 and 2011, the proportion of SuperGold Cards on issue which included a Community Services Card entitlement decreased from 61% to 52% (see table SG.1). This reflected the increase in the number of clients turning 65 years who continued to work, and whose income was above the Community Services Card threshold.

**table SG.1: Categories of current SuperGold Card holders**

<b>SuperGold Cards with and without Community Services Card inclusion</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
SuperGold Card with Community Services Card inclusion	321,293	311,132	303,312	299,873
SuperGold Card with no Community Services Card entitlement	203,915	227,751	252,871	273,958
<b>Total SuperGold Cards on issue</b>	<b>525,208</b>	<b>538,883</b>	<b>556,183</b>	<b>573,831</b>

# International payments

## Provisions allowing overseas payments of financial assistance

There are three main provisions that allow financial assistance from New Zealand to be paid overseas. These are:

- social security agreements
- the special portability arrangement for Pacific countries
- general portability provisions.

All three provisions cover the payment of New Zealand Superannuation and Veterans' Pension.

Social security agreements also cover the payment of some main benefits.

## Social security agreements

### What do social security agreements do?

Migrants and emigrants can use periods of residence or social security contributions in countries with which New Zealand has a social security agreement to meet the residency requirements for some New Zealand benefits and pensions.

This means:

- people who have come to New Zealand from overseas may qualify for certain New Zealand benefits or pensions under social security agreements
- people may qualify for certain New Zealand benefits and pensions under social security agreements while residing overseas in countries that have a social security agreement with New Zealand.



## Countries New Zealand has a social security agreement with

New Zealand currently has social security agreements with:

- Australia
- the United Kingdom
- the Netherlands
- the Republic of Ireland
- Greece (the Hellenic Republic)
- Canada
- Denmark
- Jersey and Guernsey.

Details of the current agreements follow.

### Australia

This agreement covers:

- New Zealand Superannuation for recipients entitled in their own right
- Veterans' Pension for clients aged 65 years or over
- Invalid's Benefit for people with severe disabilities.

Under this agreement, individual pensioners receive dual payments, one from each government. Payments are calculated according to the proportion of each individual's working life (between 20 and 65 years) spent in each country. The payment of New Zealand benefits and pensions in Australia also depends on the rate of Australian pension the person would be paid if they had not lived in New Zealand.<sup>18</sup> This is referred to as the 'capped' rate and may mean a person has a New Zealand entitlement to a nil rate of payment.

Periods of residence in New Zealand can help people going to Australia to qualify for the Australian benefits or pensions covered by the agreement. Conversely, periods of residence in Australia will help people coming to live in New Zealand to qualify for New Zealand benefits or pensions covered by the agreement.

For those clients living in New Zealand, payments are reduced by the rate of Australian pensions paid into New Zealand, and may also be reduced by pensions received from third parties. Clients living in Australia may have their New Zealand entitlement reduced by pensions received from a third country.<sup>19</sup>

At the end of June 2011, there were 8,495 people receiving Australian benefits and pensions in New Zealand. There were 26,229 people entitled to New Zealand benefits and pensions in Australia at that time.<sup>20</sup> Of these:

- 21,136 were entitled to New Zealand Superannuation
- 55 were entitled to a Veterans' Pension
- 5,038 were entitled to an Invalid's Benefit.

---

18. Australian assessments assume all New Zealand residence as time in Australia and subject the rate to means testing. It is this rate that is then compared with the proportional New Zealand rate calculated. New Zealand will pay the lower of the two rates. The rate of Australian pension is also subject to a means test.

19. This is only applicable to those clients who have used residence in the assessment of the New Zealand rate and excludes Australian citizens and Australian permanent residence visa holders.

20. This includes people entitled to receive assistance from New Zealand, but who received a nil payment because of means testing of the assistance they received from the Australian Government.

Benefit reimbursements are paid to Australia by New Zealand for benefits paid under the 1994 agreement with Australia. The 1994 agreement was superseded by the current agreement, which was ratified in 2002. The annual payment amounts are set out in Article 26 of the 2002 agreement and are scheduled to stop in 2015.<sup>21</sup>

The reimbursement for the financial year ending 30 June 2011 was NZ\$39.5 million (AUD\$33.9 million).

## **The United Kingdom**

Periods of residence in New Zealand can help people going to live in the United Kingdom (UK) to qualify for UK pensions and certain other social security payments. If living in New Zealand, periods of residence in the UK or contributions to the UK National Insurance Scheme can be used to meet residency criteria for some New Zealand benefits. Those living in New Zealand may also qualify for payments of UK pensions.

New Zealand payments are reduced by the amount of UK state pensions or benefits clients receive. At the end of June 2011, there were 46,809 people receiving both UK pensions and New Zealand entitlements.

As the UK agreement is a host agreement only, clients are generally not entitled to payments of New Zealand benefits or pensions in the UK if they move there permanently.

## **The Netherlands**

Periods of residence in New Zealand can help people to qualify for payments from New Zealand while they are living in the Netherlands. The rates of payment are based on whole months of residence in New Zealand since age 20 years. The payments covered are:

- New Zealand Superannuation for people who qualify in their own right
- Veterans' Pension for people aged 65 years or over
- Invalid's Benefit
- Widow's Benefit
- Domestic Purposes Benefits for widowers.

Periods of residence or insurance in the Netherlands can be used to meet the residency criteria for New Zealand benefits within the scope of the agreement. Conversely, periods of New Zealand residence can help people going to the Netherlands to qualify for Netherlands benefits or pensions covered by the agreement.

New Zealand payments are reduced by the amount of Netherlands state pension or benefit clients receive while residing in New Zealand.

At the end of June 2011, there were 3,622 people receiving Netherlands pensions in New Zealand. At the same date there were 1,199 people receiving New Zealand benefits and pensions in the Netherlands. Of these people:

- 1,193 were receiving New Zealand Superannuation
- 6 were receiving a Widow's Benefit.

---

21. The final payment under this agreement will be a bulk payment for the aggregate reimbursable amount for the following five years.

## The Republic of Ireland

Periods of residence in New Zealand can help people to qualify for payments from New Zealand while they are living in Ireland. The rates of payment are based on whole months of residence in New Zealand since age 20 years. The payments covered are:

- New Zealand Superannuation for people who qualify in their own right
- Veterans' Pension
- Invalid's Benefit
- Orphan's Benefit
- Widow's Benefit
- Domestic Purposes Benefits for widowers.

Periods of insurance in Ireland can be used to meet the residency criteria for New Zealand benefits and pensions under the agreement. Periods of residence in New Zealand can help people to qualify for Irish benefits and pensions covered by the agreement.

New Zealand payments are reduced by the amount of Irish state pensions or benefits clients receive while residing in New Zealand. New Zealand payments into Ireland may be reduced by some Irish benefits and pensions, and by any benefits or pensions paid by a third country.

At the end of June 2011, there were 220 people receiving Irish pensions or benefits in New Zealand. At the same date there were 112 people receiving New Zealand benefits or pensions in Ireland. Of these:

- 111 were receiving New Zealand Superannuation
- 1 was receiving a Widow's Benefit.

## Greece

Periods of residence in New Zealand can help people to qualify for payments from New Zealand while they are living in Greece. The rates of payment are based on whole years of residence in New Zealand since age 20 years. The payments covered are:

- New Zealand Superannuation for people who qualify in their own right
- Veterans' Pension for people aged 65 years or over
- Invalid's Benefit
- Widow's Benefit
- Domestic Purposes Benefits for widowers.

Orphan's Benefits and funeral grants may also be payable at the full New Zealand rates.

Periods of residence in New Zealand will also help people who have made limited social insurance contributions in Greece to qualify for Greek pensions.

Periods of residence and/or social insurance contributions in Greece may be used to help people to qualify for New Zealand benefits and pensions within the scope of the agreement.

New Zealand payments are reduced by the amount of Greek state pensions or benefits clients receive while residing in New Zealand. New Zealand payments into Greece are reduced by any benefits or pensions paid by a third country.

At the end of June 2011, there were 15 people in New Zealand receiving social security payments from Greece. At the same date there were 318 people receiving New Zealand benefits or pensions in Greece. Of these:

- 315 were receiving New Zealand Superannuation
- 2 were receiving an Invalid's Benefit
- 1 was receiving a Widow's Benefit.

## **Canada**

Periods of New Zealand residence can help people to qualify for payments from New Zealand while living in Canada. The rates of payment are based on whole months of New Zealand residence since age 20 years. The payments covered are:

- New Zealand Superannuation for people who qualify in their own right
- Veterans' Pension for people aged 65 years or over
- Invalid's Benefit
- Widow's Benefit
- Domestic Purposes Benefits for widowers.

Periods of residence in New Zealand also help people who have made limited contributions to the Canadian scheme, or who have insufficient periods of Canadian residence to qualify for a Canadian pension.

Periods of residence or social insurance contributions in Canada can be used to meet the residency criteria for New Zealand benefits and pensions within the scope of the agreement.

New Zealand payments are reduced by the amount of Canadian state pension or benefit clients receive while residing in New Zealand.

At the end of June 2011, there were 1,311 people receiving Canadian pensions or benefits in New Zealand. At the same date there were 611 people receiving New Zealand benefits or pensions in Canada. Of these:

- 599 were receiving New Zealand Superannuation
- 10 were receiving an Invalid's Benefit
- 2 were receiving a Widow's Benefit.

## **Denmark**

Periods of New Zealand residence can be used to help people to qualify for payments from New Zealand while living in Denmark. The rates of payment are based on whole months of New Zealand residence since age 20 years. The payments covered are:

- New Zealand Superannuation for people who qualify in their own right
- Veterans' Pension for people aged 65 years or over
- Invalid's Benefit
- Widow's Benefit
- Domestic Purposes Benefits for widowers.

Periods of residence in New Zealand also help people who have made limited contributions to the Danish scheme, or who have insufficient periods of Danish residence to qualify for a Danish pension. To qualify for a Danish pension under the agreement, a person must be either a Danish or a New Zealand citizen.

Periods of residence or social security contributions made in Denmark can be used to meet the residency criteria for New Zealand benefits and pensions within the scope of the agreement.

New Zealand payments are reduced by the amount of any Danish state pension<sup>22</sup> or benefit clients receive while residing in New Zealand.

At the end of June 2011, there were:

- 99 people receiving Danish pensions or benefits in New Zealand
- 64 people receiving New Zealand Superannuation in Denmark.

## **Jersey and Guernsey**

Periods of residence in New Zealand can help people to qualify to receive New Zealand payments while living in Jersey or Guernsey. The rates of payment are based on whole years of New Zealand residence since age 20 years. The payments covered are:

- New Zealand Superannuation for people who qualify in their own right
- Veterans' Pension
- Invalid's Benefit
- Widow's Benefit
- Domestic Purposes Benefits for widowers
- Sickness Benefit.<sup>23</sup>

Periods of residence in New Zealand also help people who have made limited contributions to the Jersey or Guernsey insurance schemes to qualify for pensions available under those schemes.

Periods of contribution to the Jersey or Guernsey social insurance schemes help people to qualify for New Zealand benefits and pensions within the scope of the agreement.

New Zealand payments are reduced by the amount of Jersey or Guernsey state pensions or benefits clients receive while residing in New Zealand. New Zealand payments into Jersey or Guernsey are reduced by any benefit or pension paid by a third country.

At the end of June 2011, there were:

- 92 people receiving Jersey pensions and 92 receiving Guernsey pensions in New Zealand
- 36 people receiving New Zealand Superannuation in Jersey and 20 in Guernsey.

---

22. This includes pensions paid by the Arbejdsmarkedets Tillægspension (ATP).

23. The inclusion of Sickness Benefits in this agreement is solely to allow people to use contributions to the Jersey or Guernsey insurance schemes to qualify for a Sickness Benefit in New Zealand. Sickness Benefits are not paid outside New Zealand except to people who qualify under the Social Security Act 1964.

## Special portability arrangement for Pacific countries

Periods of New Zealand residence can help people to qualify for New Zealand Superannuation or a Veterans' Pension while resident in one of 22 Pacific countries. Only people eligible in their own right can receive New Zealand Superannuation under this provision. Non-qualified spouses are not able to receive a payment under this provision.

Pacific countries covered by the arrangement are:

- American Samoa
- Cook Islands
- Federated States of Micronesia
- Fiji
- French Polynesia
- Guam
- Kiribati
- Marshall Islands
- Nauru
- New Caledonia
- Niue
- Northern Mariana Islands
- Palau
- Papua New Guinea
- Pitcairn Island
- Samoa
- Solomon Islands
- Tokelau
- Tonga
- Tuvalu
- Vanuatu
- Wallis and Fortuna.

Payment rates are based on a client's period of residence in New Zealand since the age of 20 years. People residing in New Zealand for:

- 10 years since the age of 20 years receive 50% of New Zealand Superannuation or a Veterans' Pension
- 11–20 years since the age of 20 years receive an additional 5% of New Zealand Superannuation or a Veterans' Pension for each year of residence over 10 years.

At the date of application, clients must be:

- both resident and present in New Zealand
- intending to live in one of the specified Pacific countries for 52 weeks or more.

At the end of June 2011, 580 people in 12 Pacific countries were receiving payments under the special portability arrangement.

The significantly higher uptake of special portability as opposed to general portability reflected:

- the more generous residency and payment provisions of the special portability arrangement
- the proximity of Pacific countries
- the close family links that are often maintained even after a person immigrates to New Zealand from a Pacific country.

## General portability provisions

This provision applies to people who are:

- eligible to receive New Zealand Superannuation or a Veterans' Pension in their own right (ie they are not non-qualified spouses)
- living in countries that:
  - do not have social security agreements with New Zealand
  - are not covered under the special portability arrangement for Pacific countries
- travelling in one or more countries.

Applications under this provision must be made while the applicant is resident in New Zealand.

Before 5 January 2010, people living outside New Zealand could receive 50% of their New Zealand Superannuation or Veterans' Pension under this provision.

From 5 January 2010, clients can receive up to 100% of their New Zealand Superannuation or Veterans' Pension under this provision. The rate of payment depends on the proportion of the person's working life (between 20 and 65 years) spent in New Zealand.

The principal destinations are the Republic of China, the United States, Thailand, India and the Philippines.

At the end of June 2011, 376 people in 60 countries, and 77 people travelling in one or more countries, were receiving a pension payment under the general portability provision.

## Total payments to New Zealanders living overseas

At the end of June 2011, 29,624 New Zealanders living overseas were entitled to payments of a New Zealand benefit or pension overseas.<sup>24</sup> Of these people:

- 24,503 were entitled to New Zealand Superannuation
- 5,052 were entitled to an Invalid's Benefit
- 60 were entitled to a Veterans' Pension
- 9 were receiving a Widow's Benefit.

The number of people receiving payments of New Zealand Superannuation, a pension or a main benefit while living overseas increased by 16,587 (127%) between 2007 and 2011. This increase was attributable to the number of clients who had moved from New Zealand to Australia. Growth in numbers receiving payments while in Australia accounted for 134%, or 22,301 of this increase.

---

24. This figure includes 406 clients living in Australia who qualified for payment at a nil rate of payment, and 27 other clients in different countries whose payments had been temporarily stopped as at 30 June 2011.

## Foreign pensions paid into New Zealand

Some people receive a reduced rate of New Zealand Superannuation, Veterans' Pension or main benefit because they are also receiving overseas pensions while living in New Zealand.

### Numbers of MSD clients receiving an overseas pension

#### The number of MSD clients receiving an overseas pension increased between 2007 and 2011

The number of MSD clients receiving overseas pensions increased by 26% (13,166 people) between 2007 and 2011. Clients receiving Australian and United Kingdom (UK) pensions accounted for 83% of this increase.

#### A large but decreasing majority of MSD clients receiving overseas pensions are receiving pensions from the UK

Between 2007 and 2011, the proportion of MSD clients receiving an overseas pension who were receiving a pension from:

- the UK decreased from 81% to 74%
- Australia increased from 8% to 13%
- the Netherlands remained around 6%.

Compared with 2007, in 2011 MSD clients were also receiving more overseas pensions from Canada, the People's Republic of China, and the United States of America.



# Integrity Services

## Benefit fraud and abuse investigations

The Fraud Investigation<sup>25</sup> Unit and the Integrity Intervention Unit provide services to assure the integrity of the benefit system.

### How is fraud and abuse minimised and investigated?

These units use an intelligence-led approach to respond to risks of benefit fraud and abuse. This approach involves:

- scanning the environment for emerging threats
- using risk profiles to identify areas of vulnerability
- analysing the results of fraud investigations for future work.

This approach allows the efficient and effective targeting of clients who are most likely to commit benefit fraud or to abuse the benefit system.

The Ministry is focused on ensuring clients receive their correct entitlements to benefits. There is a multifaceted approach that responds to suspected fraud and uses our detection capabilities in the most efficient manner.

MSD does not tolerate any form of benefit fraud. In every case, the Ministry will:

- seek to recover all overpayments resulting from fraud and abuse
- seek to prosecute clients where there is evidence of premeditated fraud.

### How we define fraud

Fraud is established when a client has been prosecuted. In the majority of cases, the investigation results in the benefit being adjusted or cancelled, and an overpayment established. The client may also receive a monetary penalty or a warning.

## Cases investigated and overpayments identified

### Benefit fraud is ever changing

The risk of benefit fraud is dynamic and tackling it is an ongoing priority. The Ministry constantly reviews its practices, processes and procedures to ensure the best deployment of resources to make the most gains. We have a centralised process, which means all fraud allegations from the public and suspicions from case managers are assessed for risk by the Integrity Intervention Unit.

If the risk is assessed as low or medium, the suspected fraud case is managed through the Integrity Intervention Unit. If the risk is high, it is forwarded to the Fraud Investigation Unit for full investigation and for prosecution when appropriate.

---

25. Previously 'Benefit Control'.

### **The number of cases decreased between 2006/2007 and 2010/2011, but overpayments are on the increase**

Although the volume of cases reviewed reduced between 2006/2007 and 2010/2011 (see table IS.1), the dollar value of overpayments in 2010/2011 was close to the levels reached in 2006/2007. In 2010/2011, the increase in the dollar value of overpayments is significant because of the impact of the two Canterbury earthquakes in September 2010 and February 2011.

In September 2010, the Christchurch Fraud Investigation Unit stopped all operations from September to October 2010. After the February earthquake operations stopped until the end of May 2011. During this time all other fraud investigation units reduced their operations to support the Canterbury Work and Income staff to manage emergency payments and to provide general support during the time of the declared emergency.

The phased implementation of the Fraud Risk Workflow model from August 2009 has led to improved efficiencies and a better allocation of resources. This is achieved through risk profiling allegations as they are received and allocating cases to either a desk-based review at the Integrity Intervention Unit or a full investigation at the appropriate Fraud Investigation Unit. Based on current results it is expected the \$41.9 million established in overpayments in 2006/2007 will be exceeded in 2011/2012.

### **In 2010/2011, marriage-type relationship cases<sup>26</sup> accounted for 47% of the cases but 68% of the overpayment dollars**

In contrast, in 2010/2011, working cases<sup>27</sup> accounted for 35% of overpayment cases but only 14% of overpayment dollars. Working cases are easier to confirm, as evidence of a fraud can be validated by employer and bank account records. Relationship cases need more intensive investigations to gather the evidence required and tend to go for longer periods before being detected.

The number and nature of benefit fraud cases reflects, at least in part, the change in the number and demographic profiles of those receiving benefits. For example, if the number of clients receiving a Domestic Purposes Benefit – Sole Parent increases, the number of allegations about single people living in relationships may also increase.

---

26. These cases arise when evidence suggests a client is living in a relationship in the nature of marriage but is receiving assistance at a level appropriate for a single person.

27. These cases arise when evidence suggests a client is working but is receiving assistance at a level not appropriate for a working person.

**table IS.1: Fraud and abuse investigations and reviews completed, and overpayments identified<sup>1</sup>**

Financial year <sup>2</sup>	Number of investigations and reviews completed	Number of overpayments established	Value of overpayments (\$)
2006/2007	39,141	7,084	41,935,634
2007/2008	26,736	4,407	33,702,275
2008/2009	26,400	3,327	33,780,453
2009/2010	19,935	2,996	39,336,133
2010/2011	16,266	2,424	39,838,760

## Notes

1. The figures include all the activities undertaken by the Fraud Investigation Unit, and include benefit, Student Allowance and Student Loan cases.
2. Financial years ended 30 June.

## Fraud prosecutions

### The numbers of prosecutions decreased in 2010/2011

This reduction (see table IS.2) followed a slight increase between 2008/2009 and 2009/2010.

Patterns in the numbers of prosecutions may reflect patterns in the volume of cases investigated. Prosecution numbers are expected to stabilise in 2011/2012.

The debt established as a result of prosecutions in 2010/2011 was \$22.6 million.

### Note – prosecutions do not relate to fraud debts established in the same year

There can be a lag between when a fraud debt is established and when the associated prosecution is completed. This means comparisons cannot readily be made between fraud prosecutions completed in a year and the fraud debt established in the same year.

**table IS.2: Fraud prosecutions completed**

Financial year <sup>1</sup>	Number of prosecution cases of benefit fraud completed
2007/2008	1,028
2008/2009	735
2009/2010	789
2010/2011	690

## Note

1. Financial years ended 30 June.

## Data-matching programmes

The National Programmes Centre (which encompasses the National Data Match Centre) provides services to minimise errors and fraud in, and abuse of, the benefit system. This is done in part by matching information about Work and Income clients with information held by the following agencies:

- Inland Revenue
- Department of Corrections
- New Zealand Customs Service
- Department of Internal Affairs (matches with Births, Deaths and Marriages)
- Accident Compensation Corporation (ACC)
- Housing New Zealand Corporation.

Data-matching activity increased between 2004/2005 and 2008/2009, and again in 2010/2011 with the ongoing development and refinement of existing matches. In 2010/2011, this activity resulted in 32,000 more cases completed, 12,000 more overpayments established and \$6.4 million in the value of overpayments.

## Data-matching cases investigated and overpayments identified

The number of data-match cases completed has fluctuated over the past five years (see table IS.3). The fluctuations reflected:

- a decrease in 2006/2007 when staff were diverted to process the identity match with the Department of Internal Affairs, which was implemented during 2007
- an increase in 2007/2008 when catch-up work was done to ensure cases previously opened were completed within required timeframes
- a levelling out in 2008/2009 as the data-match volumes returned to manageable levels
- an increase in 2009/2010 when more efficient processes were introduced
- an increase in 2010/2011 when significant changes were made to the parameters of the Inland Revenue benefits match that resulted in more current and timely information.

The value of overpayments identified showed corresponding fluctuations over the same period. The increase in 2010/2011 was the highest for the past five years.

**table IS.3: Data-matching cases completed, and overpayments identified**

Financial year <sup>1</sup>	Number of cases completed	Overpayments identified – amount (\$)
2006/2007	39,123	19,012,850
2007/2008	67,838	31,316,452
2008/2009	54,582	20,007,833
2009/2010	74,030	27,870,841
2010/2011	106,408	34,293,370

Note

1. Financial years ended 30 June.

## Balances owed to the Crown by MSD clients

### How do people come to owe money to MSD?

The Ministry manages three main categories of money owed by clients:

- Recoverable assistance loans – these are interest free loans to help beneficiaries and people on low incomes meet immediate and essential needs. They may be provided to help with costs such as school uniforms, fridges and washing machines.
- Overpayments – these occur when a client receives financial assistance to which they are not entitled.
- Fraud – this is established when the Ministry finds evidence of deliberate, planned and premeditated fraud. In all cases the Ministry prosecutes the individual.

Work and Income is responsible for the recovery of balances owed by clients currently receiving payments from the Ministry. Current clients repay their balances owed directly from their ongoing payments.

Integrity Services is responsible for the recovery of balances owed by former clients.

### Activities to prevent clients owing balances to MSD

The Ministry works hard to minimise overpayments, by focusing on preventing overpayments in the first place. These prevention activities involve:

- highlighting and reiterating with clients their obligation to inform the Ministry as soon as possible of any changes in their circumstances
- making it easier for clients to advise of any changes in their circumstances
- adopting good practices and processes to make sure staff do things right for clients the first time
- data matching with other government departments to identify early if a person is being overpaid.

The Ministry also provides clients with good advice about the financial assistance available when they ask for extra help in the form of a recoverable assistance loan.

### How balances owed are repaid to the Ministry

A high proportion of MSD clients with outstanding balances are repaying their balances owed. Of MSD clients owing money:

- 92% of current clients with balances owed are repaying on average \$14.32 a week
- 88% of former clients with balances owed have, within 12 months of cancelling their benefit, either repaid their balances in full or have begun to do so. Former clients repay on average \$23.27 a week.

Sixty percent of clients with a balance owed owe less than \$1,000. Most owe small amounts as a result of:

- an entitlement to recoverable assistance loans to meet immediate and essential needs
- strong processes to detect overpayments quickly
- practises and processes that enable clients to quickly notify any change of circumstances which may affect how much money they can receive.

Repayment guidelines are in place to help clients repay their balances owed in appropriate timeframes. Repayments are accepted at a level the client can afford without causing financial hardship.

To ensure repayment, a range of activities is undertaken, including:

- recovery directly from benefit, Student Allowance and New Zealand Superannuation payments
- deductions of money from clients' bank accounts and wages
- civil action, including caveats over property
- where appropriate, the recovery of money owed from assets confiscated by the Police as the proceeds of crime.

## Recoverable assistance loans

### Recoverable assistance loan expenditure in 2010/2011 declined compared to the previous year

In 2010/2011, recoverable assistance loan expenditure was \$162.7 million (see table IS.4). This was a decrease of 8% (\$14.1 million) compared with the previous year. Over the same period, the amount recovered from clients ('Recovery') was \$158.7 million, an increase of 9% (\$13.0 million).

The increase in recoverable assistance loans up to 2009/2010 is attributable to the impact of the economic recession, which resulted in:

- an increase in the number of clients receiving a benefit
- an increased demand for recoverable assistance loans from working people encountering financial difficulties.

Recoverable assistance loans as a percentage of the total level of MSD's Crown expenditure on income support equates to around 1.0%.

**table IS.4: Recoverable assistance loans established and recovered**

Financial year <sup>1</sup>	Recoverable assistance loans established and recovered (\$m)					
	Opening	Establishment	Recovery	Write-off	Adjustment	Closing
2006/2007	332.3	112.6	-106.7	-0.6	2.9	340.5
2007/2008	340.5	119.5	-106.8	-0.6	0.5	353.1
2008/2009	353.1	157.5	-132.3	-1.3	1.6	378.6
2009/2010	378.6	176.8	-145.7	-1.2	2.0	410.5
2010/2011	410.5	162.7	-158.7	-1.7	-1.5	411.3

Note

1. Financial years ended 30 June.

## Overpayments

Overpayments include balances established through data-matching activities, investigations and fraud prosecutions, and from clients changing their circumstances.

### The value of overpayments established increased between 2008/2009 and 2010/2011

The value of all overpayments established in 2010/2011 was \$217.6 million (see table IS.5). This was an increase of 5% (\$10.1 million) compared with the previous year and includes increases in overpayments as a result of:

- improvements made to detect and investigate fraud
- enhancements to detect overpayments through data matching
- having higher overall client numbers.

Overpayments not associated with data match or fraud investigations reduced in 2010/2011 relative to client numbers and benefit expenditure. These overpayments fell by 1.4% per client and by 3.6% per benefit spend.

The value of overpayments recovered in 2010/2011 was \$141.8 million, a decrease of 3% (\$3.8 million) compared with the previous year. This was a result of a greater proportion of recovery from clients being attributed to recoverable assistance rather than to overpayments.

Recovery from clients across overpayments and recoverable assistance increased 3% (\$9.2 million) in 2010/2011 compared to the previous year.

Overpayments as a percentage of the total level of MSD's Crown expenditure on income support equates to around 1.3%.

**table IS.5: Overpayments established and recovered**

Financial year <sup>1</sup>	Overpayments established and recovered (\$m)					
	Opening	Establishment	Recovery	Write-off	Adjustment	Closing
2006/2007	417.3	161.7	-136.6	-12.0	-0.8	429.6
2007/2008	429.6	176.4	-134.3	-11.8	-13.4	446.5
2008/2009	446.5	172.7	-121.0	-6.7	-13.2	478.2
2009/2010	478.2	207.5	-145.6	-8.5	-12.0	519.6
2010/2011	519.6	217.6	-141.8	-6.7	-2.8	585.9

Note

1. Financial years ended 30 June.

## Other balances owed

Other balances are those not associated with overpayments or recoverable assistance such as Liable Parent Contribution, Maintenance and Major Repairs Advances. These programmes are no longer current and MSD is responsible for recovering the remaining balances owed.

### Balances owed at the end of each year continued to decrease

This pattern (see table IS.6) reflected the impact of ongoing work to recover the remaining balances owed.

**table IS.6: Other balances owed and recovered**

Financial year <sup>1</sup>	Other balances owed and recovered (\$m)					
	Opening	Establishment	Recovery	Write-off	Adjustment	Closing
2006/2007	47.2	0.0	-3.6	-1.2	-1.1	41.3
2007/2008	41.3	0.0	-7.3	-1.2	4.4	37.2
2008/2009	37.2	0.0	-7.3	-1.0	4.2	33.2
2009/2010	33.2	0.0	-7.4	-0.2	4.3	30.0
2010/2011	30.0	0.0	-2.8	-0.5	-2.6	24.1

Note

1. Financial years ended 30 June.

## Clients with balances owed

### The number of clients with balances owed increased from 2007/2008

This increase (see table IS.7) reflected the impact of the economic recession, which resulted in:

- a growth in the number of clients receiving a benefit
- an increase in the number of clients receiving recoverable hardship assistance.

The number of clients owing Liable Parent Contribution or Maintenance balances continued to decline each year. These programmes are no longer current.



**table IS.7: Number of clients with balances owed, by category**

Financial year <sup>1</sup>	Number of clients with balances owed (000s)						
	Current clients <sup>2</sup>	Former clients <sup>3</sup>	Student <sup>4</sup>	Liabe Parent Contribution <sup>5</sup>	Maintenance <sup>6</sup>	Other <sup>7</sup>	Total <sup>8</sup>
2006/2007	178	129	9	6	2	0.2	324
2007/2008	182	119	11	5	2	0.2	318
2008/2009	219	111	11	4	2	0.2	348
2009/2010	252	122	12	4	1	0.2	393
2010/2011	255	145	14	4	1	0.5	420

## Notes

1. Financial years ended 30 June.
2. Clients currently receiving financial assistance from MSD's Work and Income or Senior Services service lines who have balances owed.
3. Clients no longer receiving financial assistance from from MSD's Work and Income or Senior Services service lines who have balances owed.
4. Clients with balances owed as a result of an overpayment of a Student Allowance or Student Loan that was not transferred to Inland Revenue for collection.
5. The Liabe Parent Contribution Scheme ended in 1992. This number represents liable parents with arrears of payments.
6. The administration of Maintenance Orders and registered agreements ended in 1992. This number represents Crown maintenance clients with arrears of payments.
7. Other includes clients with balances owed for Major Repairs Advances and overpayments of Employment Training and Assistance. Major Repairs Advances were made for essential repairs to a home. These advances ended in 1996 and became repayable once the home was sold or after the recipient died. Employment Training and Assistance is paid to help clients towards independence. An example is the Enterprise Allowance, which is a temporary subsidy available to clients entering self-employment while a business is being established. A balance is owed where the terms of the Enterprise Allowance agreement are breached.
8. The total number of clients with balances owed may be overstated because of double-counting where a person has a balance owed in more than one category.

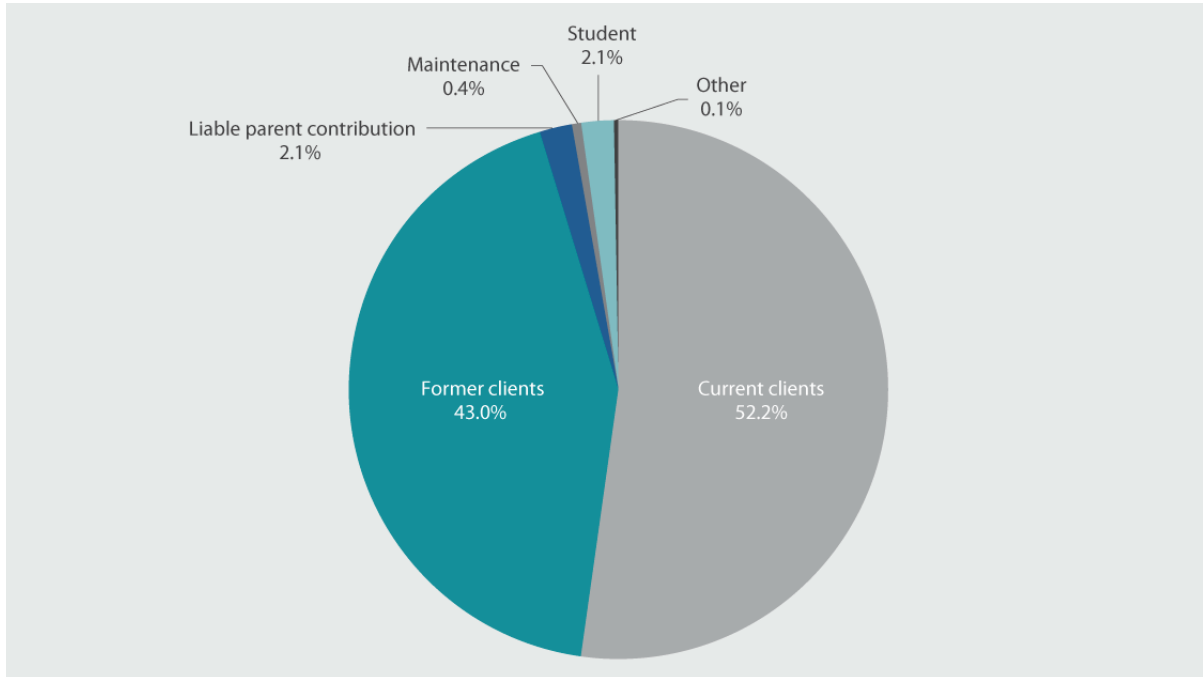
## Composition of balances owed

### Around half of the balances owed are owed by current clients

Almost all of the balances owed to the Crown at 30 June 2011 are owed by current or former clients (see figure IS.1). Around half (52%) of these balances are owed by current clients and 43% by former clients.

Of the balances owed by current and former clients, 42% are due to recoverable assistance and 58% are due to overpayments (including fraud).

**figure IS.1: Composition of balances owed to the Crown at 30 June 2011**





MINISTRY OF SOCIAL DEVELOPMENT

*Te Manatū Whakahiato Ora*

ISSN 1176-3388 (print)  
ISSN 1178-3206 (online)

New Zealand Government