



**MINISTRY OF SOCIAL  
DEVELOPMENT**

TE MĀNATŪ WHAKAHIATO ORA

03 NOV 2016



Dear 

On 15 September 2016, you emailed the Ministry requesting, under the Official Information Act 1982, information about deductions, made quarterly, under Section 70A of the Social Security Act 1964.

On 26 September 2016, the Ministry contacted you and refined your request from quarterly data to data annually. You were also informed that the Ministry could provide with you data as far back as 2005.

From 15 July 2013, those in receipt of a Domestic Purposes Benefit – Sole Parent moved to Sole Parent Support or, for those whose youngest child is aged between 14 and 18 years of age, to Jobseeker Support.

Under section 70A of the Social Security Act 1964, people who apply for a sole parent rate of benefit have a legal obligation to make a Child Support Application under the Child Support Act 1991 for each dependent child and identify the paying parents. However there are certain circumstances where a person does not have to apply for Child Support, for example, where the paying parent is deceased; where the parent caring for the child or children would be at risk of violence if they took steps to meet their Child Support obligations; where the paying partner is in prison; or the child was conceived as a result of sexual violation.

If a person refuses to apply for Child Support, or identify the other paying parent for a reason other than the exemptions above, their rate of benefit payment will be reduced under section 70A of the Social Security Act 1964 by \$22 per week for each dependent child that the client has not met their obligations for.

When a person has had a section 70A deduction imposed for at least 13 weeks they will have their benefit further reduced by an additional \$6 per week if they have not met these obligations. This further \$6 reduction can only be applied once, regardless of how many dependent children the person has. For more information, I have provided you with a website link to the Work and Income website: <http://www.workandincome.govt.nz/map/legislation/acts/social-security-act-1964/section-70a-rates-of-benefits-for-sole-parents-may.html>

For the sake of clarity, I will address each of your questions in turn.

- *The number of sole parents subject to reductions in the rates of their benefit payment under Section 70A of the Social Security Act broken down by quarter since 1999, (or as far back toward this year as possible); and*

Table one shows the total number of working-age sole parents receiving a section 70A deduction as at the end of June, broken down by financial year between 2005 and 2016.

- *The number of sole parents who are in some form of paid employment, and are on a benefit, who are subject to reductions in the rates of their benefit payment under Section 70A of the Social Security Act broken down by quarter since 1999, (or as far back toward this year as possible); and*

Table two shows the total number of working-age sole parents declaring income with a section 70A deduction as at the end of June, broken down by financial year between 2005 and 2016.

- *The number of children living in households where sole parents are subject to reductions in the rates of their benefit payment under Section 70A of the Social Security Act broken down by quarter since 1999, (or as far back toward this year as possible); and*

Table three shows the number of children living with a working-age sole parent who is receiving a section 70A deduction as at the end of June, broken down by financial year between 2005 and 2016.

- *The number of sole parents subject to reductions in the rates of their benefit payment under Section 70A of the Social Security Act, who are exempt from this policy, broken down by exception reason and quarter since 1999, (or as far back toward this year as possible); and*

Table four shows the number of working-age clients with a section 70A exemption reason as at the end of June, broken down by financial year between 2005 and 2016.

Table five shows the number of working-age clients with a section 70A exemption reason as at the end of June, broken down by exemption reason and by financial year between 2005 and 2016.

- *The total dollar amount of benefit reductions taken off sole parents under Section 70A of the Social Security Act broken down by quarter since 1999, (or as far back toward this year as possible).*

It is extremely difficult to report the total amount of deductions annually under section 70A due to a number of variables. As a result of the policy relating to a further \$6 charge for non-declaration (after thirteen weeks) which is only applied once, despite the number of dependent children involved, calculating the revenue generated is extremely complex and would require each client's file to be manually reviewed. This would involve manually reviewing in excess of 156,000 client records (13,000 files per year over 12 years). As such as I am refusing this part of your request under section 18(f) of the Official Information Act. The greater public interest is in the effective and efficient administration of the public service.

I have considered whether the Ministry would be able to respond to your request given extra time, or the ability to charge for the information requested. I have concluded that, in either case, the Ministry's ability to undertake its work would still be prejudiced.

The principles and purposes of the Official Information Act 1982 under which you made your request are:

- to create greater openness and transparency about the plans, work and activities of the Government,
- to increase the ability of the public to participate in the making and administration of our laws and policies and
- to lead to greater accountability in the conduct of public affairs.

This Ministry fully supports those principles and purposes. The Ministry therefore intends to make the information contained in this letter and any attached documents available to the wider public after ten working days. The Ministry will do this by publishing this letter on the Ministry of Social Development's website. Your personal details will be deleted and the Ministry will not publish any information that would identify you as the person who requested the information.

If you wish to discuss this response concerning deductions made under section 70A of the Social Security Act 1964a, please feel free to contact [OIA\\_Requests@msd.govt.nz](mailto:OIA_Requests@msd.govt.nz).

You have the right to seek an investigation and review by the Ombudsman of this response. Information about how to make a complaint is available at [www.ombudsman.parliament.nz](http://www.ombudsman.parliament.nz) or 0800 802 602.

Yours sincerely



Ruth Bound  
**Deputy Chief Executive, Service Delivery**

### Section 70A deductions under the Social Security Act 1964

**Table one: The total number of working-age sole parents receiving a section 70A deduction as at the end of June, broken down by financial year between 2005 and 2016.**

Benefit	Financial year ending June											
	2004/5	2005/6	2006/7	2007/8	2008/9	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Domestic Purposes Benefit related	13,135	11,992	11,587	12,266	13,437	14,164	13,995	14,084	13,766			
Sole Parent Support										851	829	904
Jobseeker Support related										13,149	13,027	12,710
<b>Total</b>	<b>13,135</b>	<b>11,992</b>	<b>11,587</b>	<b>12,266</b>	<b>13,437</b>	<b>14,164</b>	<b>13,995</b>	<b>14,084</b>	<b>13,766</b>	<b>14,000</b>	<b>13,856</b>	<b>13,614</b>

**Notes for all tables:**

- Table includes working age clients only (18 to 64 years).
- The numbers in this table differ to those numbers in response to written parliamentary questions 12278 and 12298 (2016) as there are a number of reasons a person may have a section 70A deduction applied to their benefit such as paying parents not named, refused to apply for Child Support, which are included in these tables.
- Sole parents are comprised of Jobseeker Support, Sole Parent Support and Domestic Purposes Benefit clients.
- Jobseeker Support and Sole Parent Support replaced Unemployment Benefit and Domestic Purposes Benefit – Sole Parent, when the Welfare Reform changes came into place on 15th July 2013.
- The section 70A reduction of \$22.00 is applied for each dependent child the client has not met their obligations for.

**Table two: The total number of working-age sole parents declaring income with a section 70A deduction as at the end of June, broken down by financial year between 2005 and 2016.**

Income	Financial year ending June											
	2004/5	2005/6	2006/7	2007/8	2008/9	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
No income	10,592	9,691	9,451	10,046	11,207	11,743	11,472	11,449	11,112	11,234	11,140	10,880
Less than \$0 - \$80	913	908	791	769	790	887	803	743	695	704	702	647
Less than \$80 - \$100	236	228	222	215	244	264	332	355	413	400	361	352
Less than \$100 - \$180	623	525	519	568	510	491	518	601	611	595	574	595

Income	Financial year ending June											
	2004/5	2005/6	2006/7	2007/8	2008/9	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Less than \$180 - \$200	128	128	125	107	119	154	157	144	125	131	137	132
Less than \$200 - \$300	423	344	329	356	366	396	431	490	491	588	586	566
Less than \$300	220	168	150	205	201	229	282	302	319	348	356	442
<b>Total</b>	<b>13,135</b>	<b>11,992</b>	<b>11,587</b>	<b>12,266</b>	<b>13,437</b>	<b>14,164</b>	<b>13,995</b>	<b>14,084</b>	<b>13,766</b>	<b>14,000</b>	<b>13,856</b>	<b>13,614</b>

**Notes for table two:**

- Client income is the weekly amount declared as at 30 June each financial year.
- Income is defined as any money received before income tax which is not a one-off capital payment and may include: wages, salary, sale of assets, value of interest generated and insurance payments.
- A client may have multiple deductions for different children on a single record.

**Table three: The number of children living with a working-age sole parent who is receiving a section 70A deduction as at the end of June, broken down by financial year between 2005 and 2016.**

Number of Children living with a parent receiving a Section 70a deduction	Financial year ending June											
	2004/5	2005/6	2006/7	2007/8	2008/9	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	25,300	23,240	22,332	23,920	26,120	27,494	27,251	27,589	27,522	28,407	28,499	28,003

**Note for table three:**

- This table also counts children for whom the parent does not have a section 70A deduction.

**Table four: The number of working-age clients with a section 70A exemption reason as at the end of June, broken down by financial year between 2005 and 2016.**

Number of clients exempted from a section 70a deduction	Financial year ending June											
	2004/5	2005/6	2006/7	2007/8	2008/9	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	438	890	1,051	1,245	1,396	1,533	1,634	1,780	1,820	2,091	2,338	2,859

**Note for table four:**

- One client can have a different exemption reason for each child with an exemption in their care.

**Table five: The number of working-age clients with a section 70A exemption reason as at the end of June, broken down by exemption reason and broken down by financial year between 2005 and 2016.**

Exemption Reason	Financial year ending June											
	2004/5	2005/6	2006/7	2007/8	2008/9	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Exempt compelling circumstances	0	29	27	39	69	84	104	105	125	211	273	354
Exempt conception issue	55	74	78	95	109	117	132	141	135	158	175	206
Exempt insufficient evidence	94	184	210	270	334	392	448	491	495	534	593	694
Exempt taking active steps	292	544	640	714	714	742	736	778	788	881	938	1,102
Exempt violence	0	72	115	151	199	234	248	299	317	353	408	563
<b>Total</b>	<b>441</b>	<b>903</b>	<b>1,070</b>	<b>1,269</b>	<b>1,425</b>	<b>1,569</b>	<b>1,668</b>	<b>1,814</b>	<b>1,860</b>	<b>2,137</b>	<b>2,387</b>	<b>2,919</b>

**Notes for table five**

- One client can have a different exemption reason for each child with an exemption in their care.
- The Ministry's systems did not capture data on child support exemptions prior to October 2004.
- Since October 2004, this data was being captured while clients' records were gradually reviewed and updated, so we see an increase in the numbers over the time series.