



**MINISTRY OF SOCIAL
DEVELOPMENT**

TE MANATŪ WHAKAHIATO ORA



Ministry of Social Development

Benefit Fact Sheets

Snapshot - September 2020 Quarter

The Benefit Fact Sheets provide a high-level view of trends in benefit receipt. The Benefit Fact Sheets are published quarterly and contain information on income support provided by the Ministry.

New Zealand Government

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The Benefit Fact Sheets quarterly report for September 2020 covers the periods in which New Zealand was at different COVID-19 Alert Levels, which had an impact on the country's economy, labour market, health and wellbeing. The figures in this report reflect the impacts of COVID-19, and MSD's response to support our clients. The Benefit Fact Sheets Snapshot is standard reporting that serves to support interpretation of the Ministry's Tier 1 Statistics.

Our response to the COVID-19 pandemic included a number of temporary operational changes to support people affected by the pandemic, and to ensure the health and safety of our clients and of MSD's essential workers. Some of the changes made included deferring the need to provide subsequent medical certificates, review of Disability Allowance, suspending obligation failures, and extending the 52-week reapplication period for JS and SPS clients. Details of these changes are available at the Work and Income website: <https://workandincome.govt.nz/covid-19/changes-to-how-we-work.html>. However, some of the temporary business processes such as work-related obligation failures that were suspended, between 23 March to 27 May 2020, and an increase in the amount people can access for food assistance, between 23 March and 10 August 2020, have returned to their normal business rules.

In September, Statistics New Zealand released their national estimated resident population as at June 2020, rebased to the 2018 Census. The rebase has resulted in higher population counts than previously estimated, and translated into a decrease in the population proportions MSD reports on. For example, 10.0 percent of the estimated working-age population received a main benefit as at the end of September 2019, before the rebase. After the rebase, this figure has been revised to 9.7 percent. Information can be found on the Statistics New Zealand website:

<https://www.stats.govt.nz/information-releases/estimated-resident-population-2018-base-at-30-june-2018>.

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Main benefit assistance

In September, Statistics New Zealand released their national estimated resident population as at June 2020, rebased to the 2018 Census. **The rebase has resulted in higher population counts than previously estimated, and translated into a decrease in the population proportions MSD reports on back to 2013. Previously published reports have not been revised.**

Main benefits for those of working age include: Jobseeker Support (JS), Sole Parent Support (SPS), Supported Living Payment (SLP), Youth Payment and Young Parent Payment (YP/YPP), Emergency Benefit (EB), Emergency Maintenance Allowance (EMA), Jobseeker Support Student Hardship (JSSH), Widow's Benefit Overseas (WBO), and Sole Parent Support Overseas (SPSO).

Figure 1a. Number of working-age people receiving main benefits, at the end of the last six September quarters

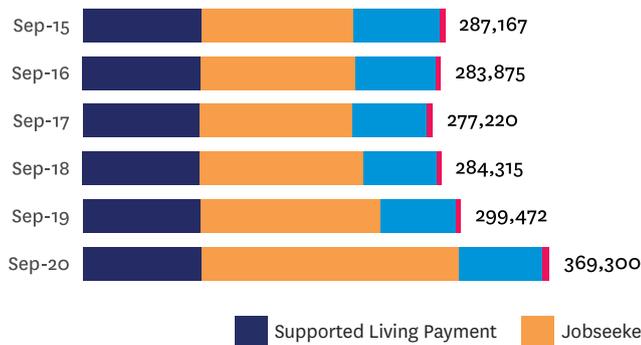
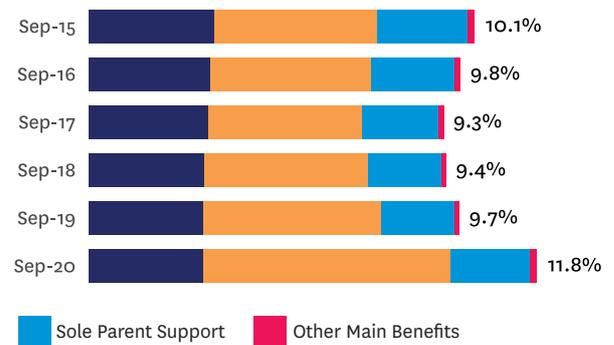


Figure 1b. Proportion of working-age population receiving main benefits, at the end of the last six September quarters



369,300 working-age people receiving a main benefit as at the end of September 2020

11.8 percent of the working-age population receiving a main benefit as at the end of September 2020

The number of working-age people receiving a main benefit, as at the end of September 2020, was **23.3 percent higher** compared with the September 2019 quarter. **Benefit numbers as a proportion of the working-age population increased to 11.8 percent** compared with 9.7 percent as at the end of September 2019.

The working-age population is a subset of the estimated New Zealand resident population, defined as those aged 18-64. To calculate population proportions, the working-age population is used, as at the most recent June estimate available.

Jobseeker Support (JS)

Figure 2a. Number of working-age people receiving Jobseeker Support, at the end of the last six September quarters

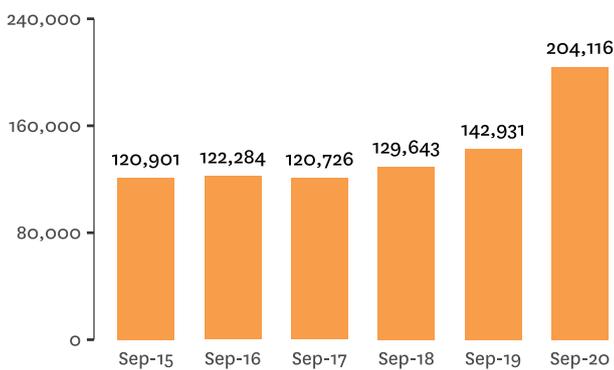
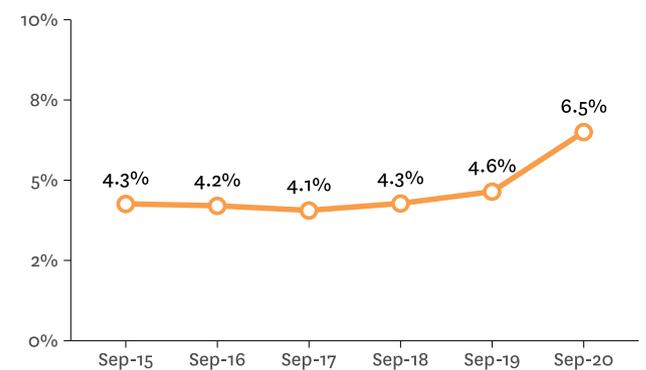


Figure 2b. Proportion of working-age population receiving Jobseeker Support, at the end of the last six September quarters



204,116 working-age people receiving JS as at the end of September 2020

6.5 percent of the working-age population receiving JS as at the end of September 2020

As at the end of September 2020, **the number of working-age people on Jobseeker Support increased by 42.8 percent**, compared with the September 2019 quarter. **The proportion of working-age people receiving JS has been increasing since the September 2017 quarter.**

Jobseeker Support is for people who can usually look for or prepare for work. It also includes people who can only work part-time or cannot look for work at the moment (e.g. they have a health condition, injury, or disability).

Sole Parent Support (SPS)

Figure 3a. Number of working-age people receiving Sole Parent Support, at the end of the last six September quarters

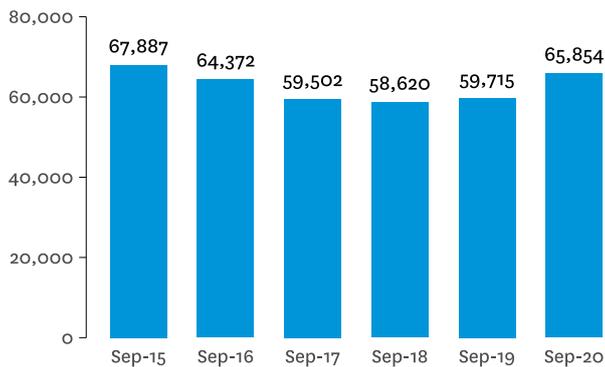
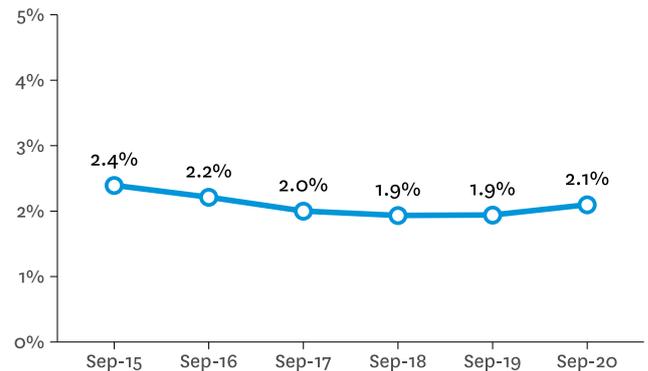


Figure 3b. Proportion of working-age population receiving Sole Parent Support, at the end of the last six September quarters



65,854 working-age people receiving SPS as at the end of September 2020

2.1 percent of the working-age population receiving SPS as at the end of September 2020

As at the end of September 2020, **the number of working-age people on Sole Parent Support increased by 10.3 percent**, compared with the September 2019 quarter. **The proportion of working-age people receiving SPS slightly increased to 2.1 percent** as at the end of September 2020, from 1.9 percent as at September 2019.

Sole Parent Support is for single parents, with at least one dependent child under 14 years, who can look for or prepare for part-time work.

Supported Living Payment (SLP)

Figure 4a. Number of working-age people receiving Supported Living Payment, at the end of the last six September quarters

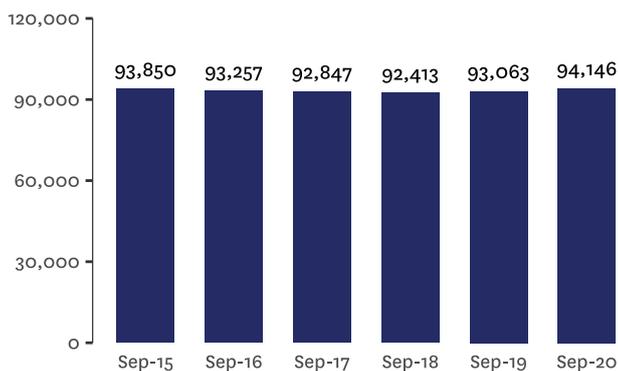
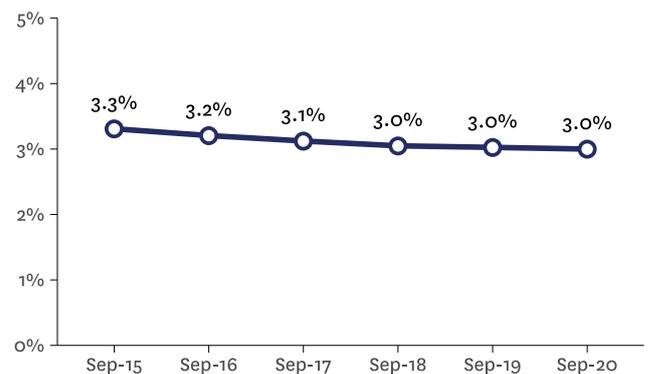


Figure 4b. Proportion of working-age population receiving Supported Living Payment, at the end of the last six September quarters



94,146 working-age people receiving SLP as at the end of September 2020

3.0 percent of the working-age population receiving SLP as at the end of September 2020

As at the end of September 2020, **the number of working-age people on Supported Living Payment increased slightly by 1.1 percent**, when compared with the September 2019 quarter. **The proportion of working-age people receiving SLP remained stable at 3.0 percent** as at the end of September 2020.

Supported Living Payment is for people who have, or care for someone with, a health condition, injury or disability that severely limits their ability to work on a long-term basis. The long-term nature of conditions for people on Supported Living Payment mean that very few people move from Supported Living Payment into paid work or to another benefit.

Regional distribution of Jobseeker Support as a proportion of the working-age population, by Work and Income region, as at September 2020

Most of the increase in proportion of the working-age population* receiving Jobseeker Support occurred in the North Island/Te Ika-a-Māui. Northland had the highest proportion of the working-age population receiving Jobseeker Support, at 11.3 percent as at the end of September 2020.

In terms of annual change, Southern and Central regions had the lowest percentage point increase of 1.3 percentage points as at the end of September 2020, when compared with September 2019.

Work and Income has 11 geographical regions. An extra category, "Other Region", is used to count people managed by national units, for example contact centres and processing centres.

All percentages have been rounded to the nearest decimal point. As a result, a percentage point change may be displayed as zero.

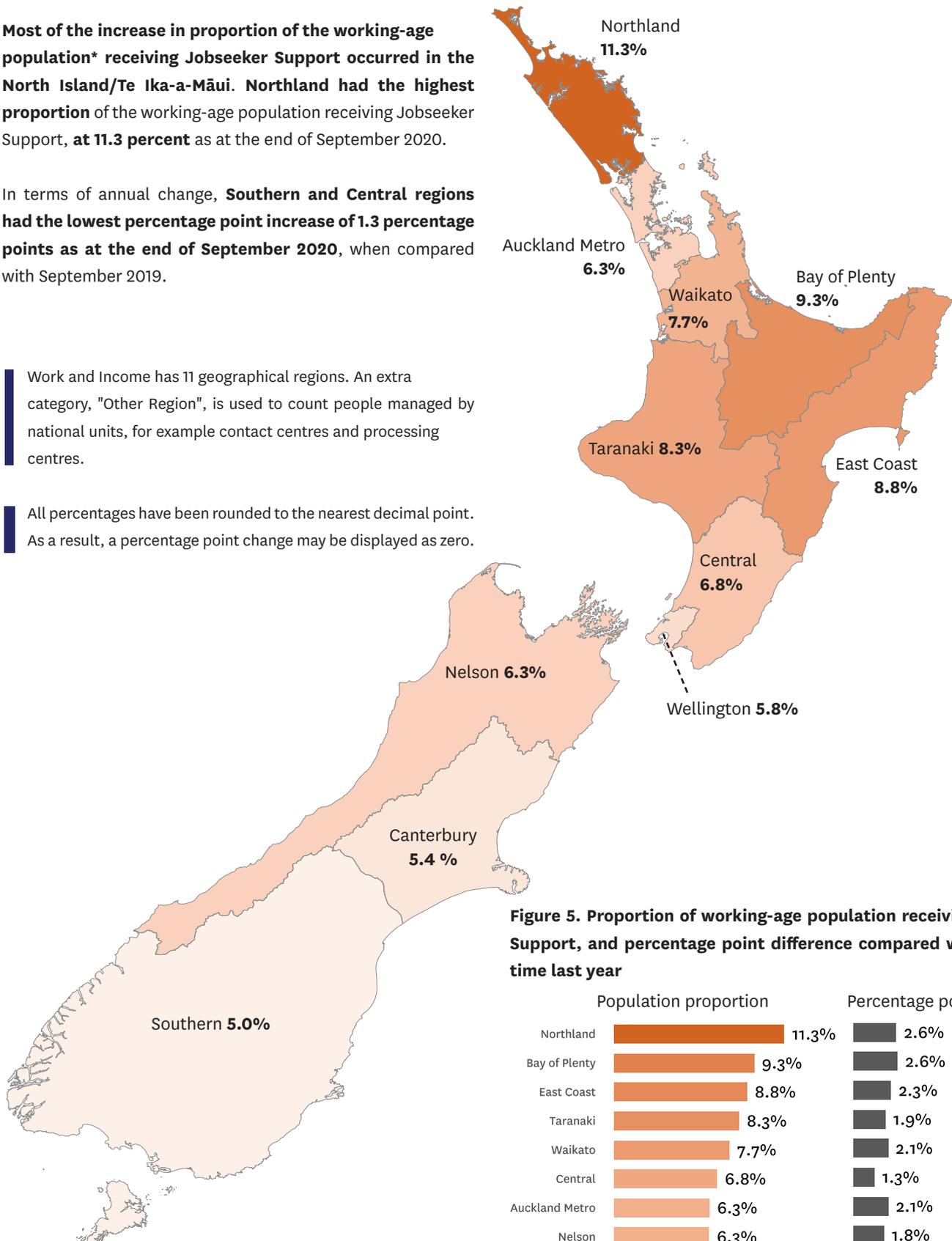
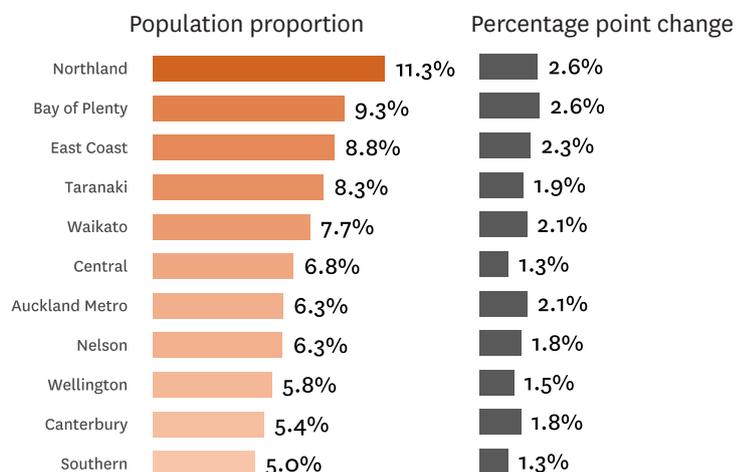


Figure 5. Proportion of working-age population receiving Jobseeker Support, and percentage point difference compared with the same time last year



* The regional estimated working-age population figures used on pages four and five of this report have been calculated using Statistics New Zealand's revised regional population estimates as at June 2019. The June 2020 regional population estimates will be available for the December 2020 quarter after Statistics New Zealand releases the estimates in October 2020. This is done separately from the national estimates.

Regional distribution Sole Parent Support as a proportion of the working-age population, by Work and Income region, as at September 2020

Most of the increase in proportion of the working-age population receiving Sole Parent Support occurred in the North Island/Te Ika-a-Māui. Northland had the highest proportion of the working-age population receiving Sole Parent Support, with 3.9 percent as at the end of September 2020.

In terms of annual change, Bay of Plenty had a 0.4 percentage point increase, when compared with the September 2019 quarter, which was slightly higher compared with the other Work and Income regions.

Work and Income has 11 geographical regions. An extra category, "Other Region" is used to count people managed by national units, for example contact centres and processing centres.

All percentages have been rounded to the nearest decimal point. As a result, a percentage point change may be displayed as zero.

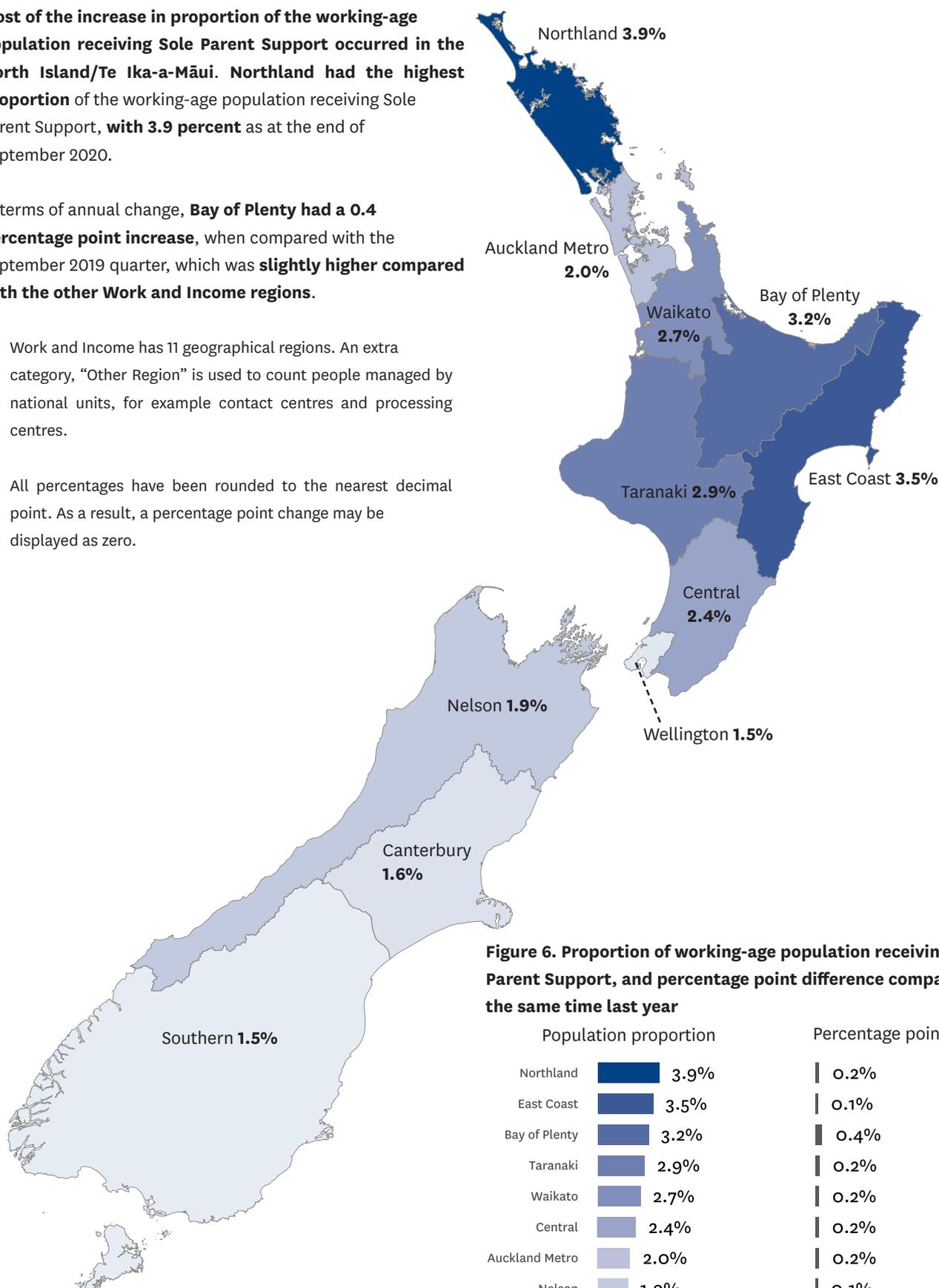


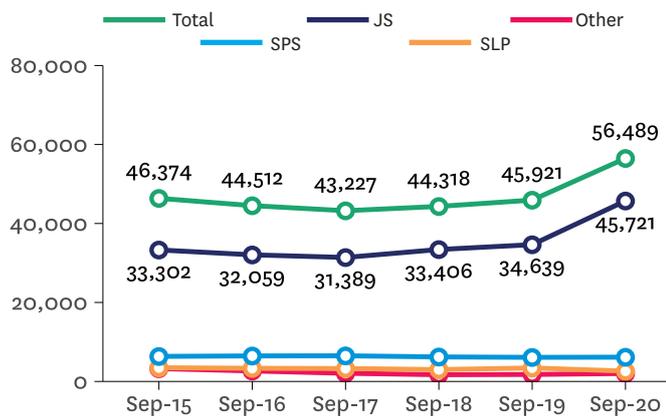
Figure 6. Proportion of working-age population receiving Sole Parent Support, and percentage point difference compared with the same time last year

| Region | Population proportion | Percentage point change |
|----------------|-----------------------|-------------------------|
| Northland | 3.9% | 0.2% |
| East Coast | 3.5% | 0.1% |
| Bay of Plenty | 3.2% | 0.4% |
| Taranaki | 2.9% | 0.2% |
| Waikato | 2.7% | 0.2% |
| Central | 2.4% | 0.2% |
| Auckland Metro | 2.0% | 0.2% |
| Nelson | 1.9% | 0.1% |
| Canterbury | 1.6% | 0.2% |
| Wellington | 1.5% | 0.1% |
| Southern | 1.5% | 0.1% |

Benefit grants and cancellations

Grants

Figure 7. Number of benefit grants during the last six September quarters



The total number of benefits granted during the September 2020 quarter increased by 10,568 when compared with the September 2019 quarter, or an increase of 23.0 percent.

There were 45,721 benefits granted for JS during the September 2020 quarter, or an increase of 11,082 when compared with the September 2019 quarter.

A grant is the formal acceptance of entitlement to a benefit. The numbers reported here are for benefits granted during the September quarter, for the last six September quarters (i.e. July to September).

Cancellations

Figure 8a. Number of cancellations by benefit during the last six September quarters

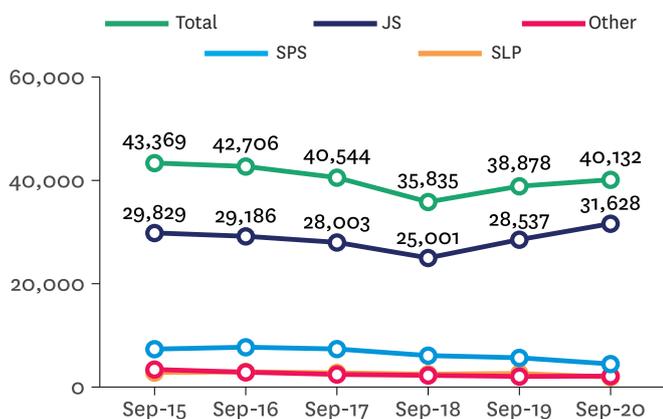
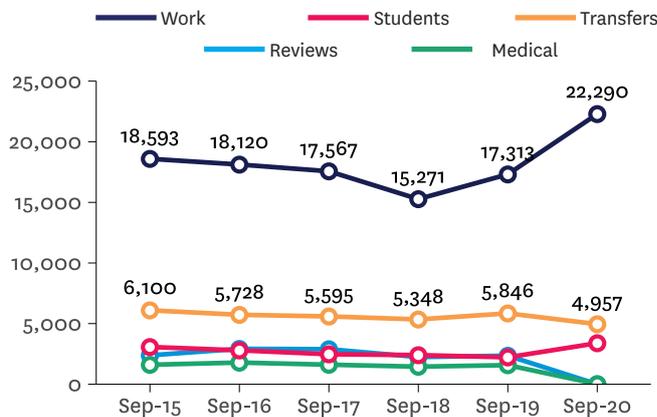


Figure 8b. Number of cancellations by selected reason during the last six September quarters



40,132 benefit cancels made during the September 2020

22,290 benefit cancels made during the September 2020 quarter due to entering paid work

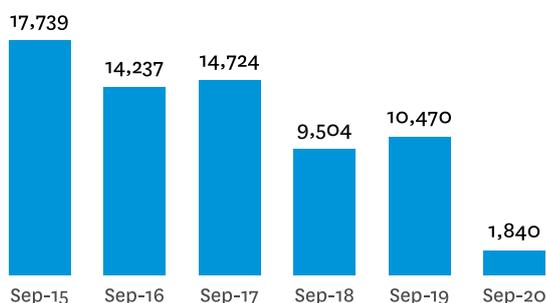
The number of benefits cancelled during the September 2020 quarter increased by 1,254 when compared with the September 2019 quarter, or an increase of 3.2 percent.

Obtaining work, a main reason for benefit cancellations, increased by 28.7 percent compared with the September 2019 quarter.

A cancellation (cancel) is the formal process that stops the entitlement to a benefit. The numbers reported above are for benefits cancelled within the September quarter, for the last six September quarters (i.e. July to September).

Benefit sanctions

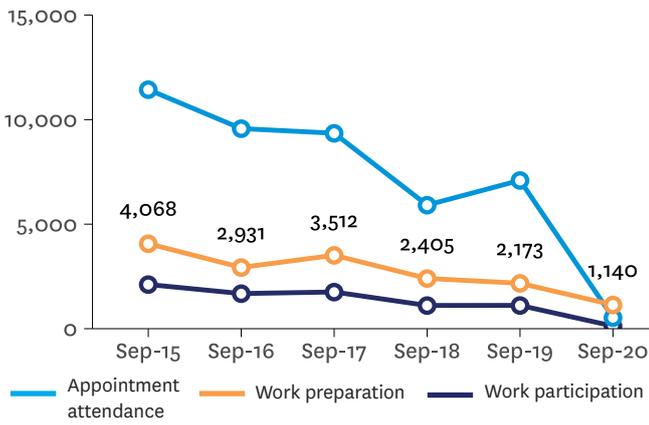
Figure 9. Number of sanctions for unfulfilled work obligations during the last six September quarters



The number of sanctions issued during the September 2020 quarter was 1,840. Between 23 March and 27 May 2020, work related obligation failures were suspended, they restarted back during the September 2020 quarter.

A sanction is a reduction on a person's benefit that occurs if they do not fulfil their work obligations. Sanctions can affect benefit recipients in a number of ways, depending on their circumstances and the number of times they have had a graduated sanction over the last 12 months. There are three types of sanctions: graduated (i.e. percentage reduction in benefit amount), suspended, or cancelled.

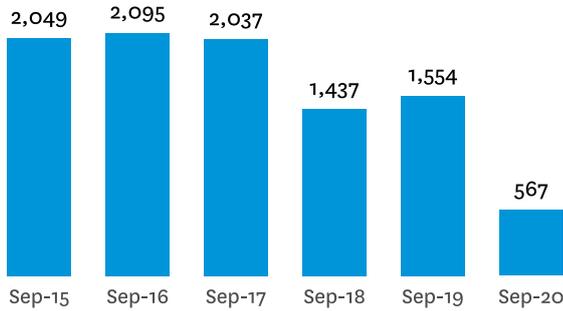
Figure 10. Number of sanctions for unfulfilled work obligations, by reason, during the last six September quarters



The main reason for sanctions was due to clients not preparing for work, with 1,140 recipients having unfulfilled work obligations due to this reason during the September 2020 quarter.

The maximum main benefit reduction for sole parents and couples with dependent children is 50 percent, when sanctioned within a 12-month period. For people without a de facto partner or couples with no dependent children, the first sanction is a maximum 50 percent reduction of their main benefit; for a second non-fulfilment of an obligation, they face a 100 percent suspension of their main benefit; and a third sanction will then result in a cancellation.

Figure 11. Number of graduated sanctions active at the end of the last six September quarters

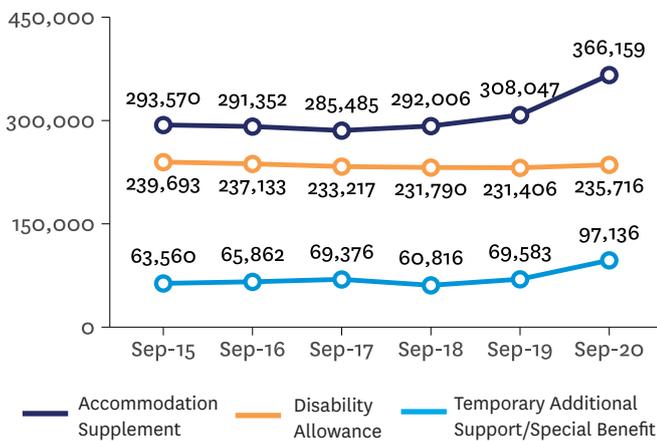


As at the end of September 2020, there were 567 sanctions that were actively in place.

Not everyone who does not fulfil their obligations gets sanctioned; if benefit recipients re-comply or provide additional information, the sanction can be withdrawn.

Supplementary assistance

Figure 12. Number of recipients of supplementary assistance at the end of the last six September quarters



The number of people receiving **Accommodation Supplement** in the September 2020 quarter **increased by 58,112** when compared with the September 2019 quarter.

The number of people receiving **Temporary Additional Support/Special Benefit** in the September 2020 quarter **increased by 27,553** when compared with the September 2019 quarter.

The number of people receiving **Disability Allowance** in the September 2020 quarter **increased by 4,310** when compared with the September 2019 quarter.

The Accommodation Supplement is a weekly payment to assist people on low incomes with their rent, board, or the cost of owning a home, but not those in public housing or Income-Related Rent. The changes in the number of people receiving an Accommodation Supplement tends to follow similar changes in benefit numbers.

The Disability Allowance is a weekly payment to assist people who have on-going costs because of a disability. A person does not need to be receiving a main benefit in order to qualify for the Disability Allowance. The changes in the number of people receiving a Disability Allowance tends to follow similar changes in benefit and New Zealand Superannuation numbers.

Temporary Additional Support is a weekly payment that helps people to cover essential living costs that cannot be met from their income and through other resources. A person does not have to be receiving a main benefit to qualify for Temporary Additional Support. Temporary Additional Support replaced Special Benefit in 2006, however some people are still entitled to receive Special Benefit, therefore these are counted together.

Hardship assistance

A total of **604,424 hardship assistance payments, worth \$215,545,216**, were granted during the September 2020 quarter. These figures are higher than the hardship assistance granted during the September 2019 quarter, when there were 573,588 hardship assistance payments worth \$167,282,123.

Hardship assistance includes, but is not limited to: Special Needs Grants (SNGs), Benefit Advances (ADVs) and Recoverable Assistance Payments (RAPs). These forms of assistance are designed to help people who have immediate needs. The numbers reported for hardship assistance granted are sums of grants granted within the September quarter (i.e. 1 July to 30 September). Hardship assistance contains all ages data, rather than working-age only (i.e. 18 to 64).

Figure 13a. Number of hardship grants during the quarter for the last six September quarters, by type of assistance

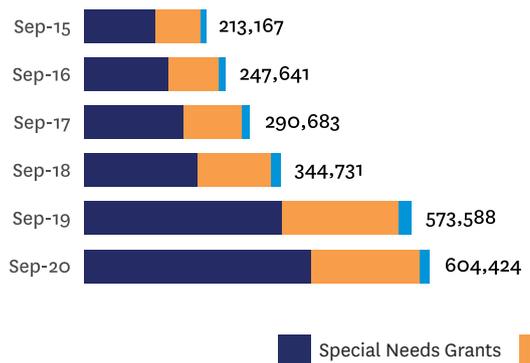
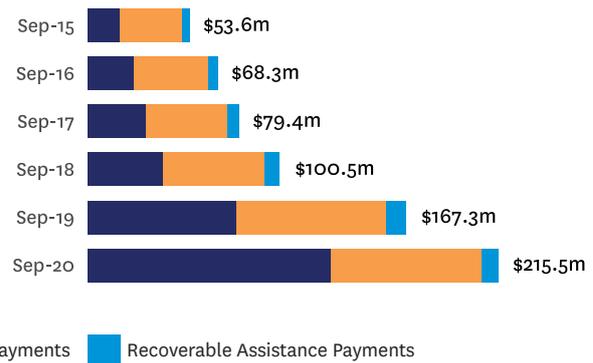


Figure 13b. Value of hardship grants during the quarter for the last six September quarters, by type of assistance



604,424 payments granted during the September 2020 quarter

\$215,545,216 value of grants provided during the September 2020 quarter

Reasons for hardship assistance, detailed below, include both Benefit Advance and Special Needs Grant reason categories. The Accommodation-related reasons are for Benefit Advance Grants only. Food grants, Medical-associated costs, and Emergency Housing reasons are for Special Needs Grants.

Figure 14a. Number of hardship grants during the quarter for the last six September quarters, by selected reason

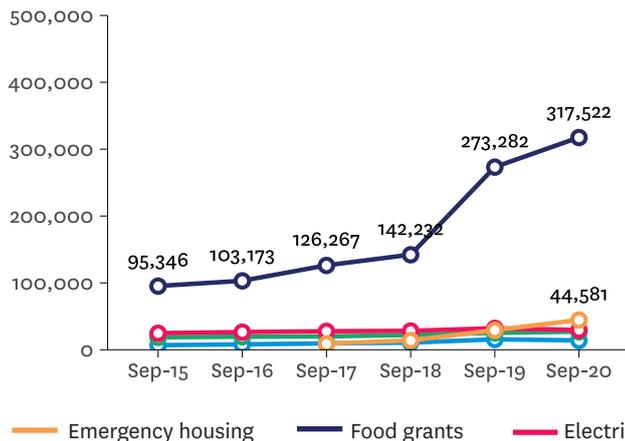
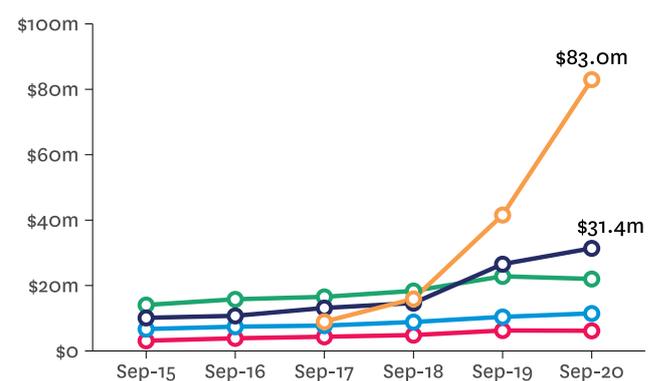


Figure 14b. Value of hardship grants during the quarter for the last six September quarters, by selected reason

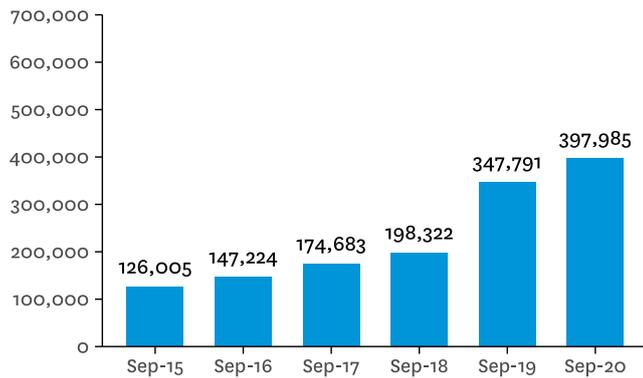


The number of Emergency Housing Special Needs Grants (EH SNGs) granted during the September 2020 quarter increased when compared with the same period last year. There were 15,315 more grants granted, totalling to 44,581 during the September 2020 quarter. **The average value granted for EH SNGs increased from \$1,421 in the September 2019 quarter to \$1,862 in the September 2020 quarter.** The total number of grants granted for EH SNGs, and the increasing average value granted, has contributed to the continued upward trend of the total value of EH SNGs during the September 2020 quarter.

When looking at the annual change, the number of Special Needs Grants (SNGs) for food has increased. Comparing September 2019 quarter with September 2020, there was a 44,240 increase in the number of SNGs for food granted, totalling 317,522 during the September 2020 quarter. As a result, the value of SNGs for food assistance increased to \$31,400,867 during the September 2020 quarter.

Special Needs Grants (SNGs)

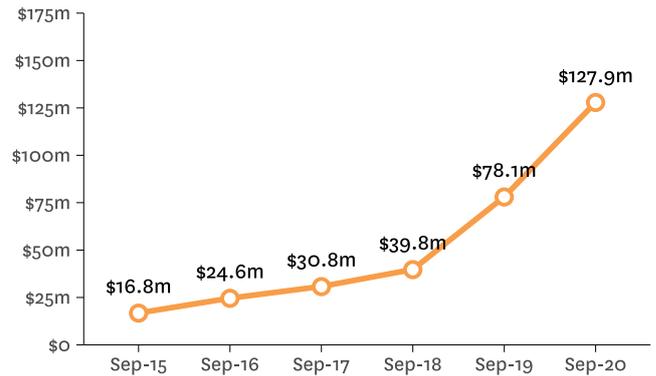
Figure 15a. Number of Special Needs Grants granted during the quarter, for the last six September quarters



397,985 Special Needs Grants granted during the September 2020 quarter

\$127,926,543 is the value of Special Needs Grants granted in the September 2020 quarter

Figure 15b. Value of Special Needs Grants granted during the quarter, for the last six September quarters

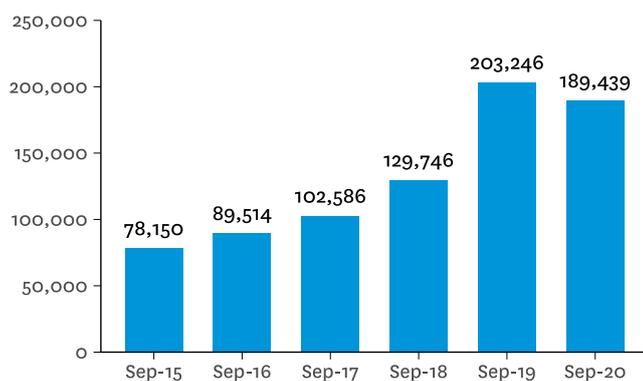


The number of Special Needs Grants granted was **50,194 higher** during the **September 2020 quarter** when compared with the same period last year. The **value of grants granted increased** from \$78.1 million during the September 2019 quarter to \$127.9 million during the September 2020 quarter.

A Special Needs Grant provides non-taxable, one-off recoverable or non-recoverable financial assistance for people to meet immediate needs. A person does not need to be receiving a main benefit to be eligible for a Special Needs Grant. Special Needs Grants include Emergency Housing Special Needs Grants.

Benefit Advances (ADVs)

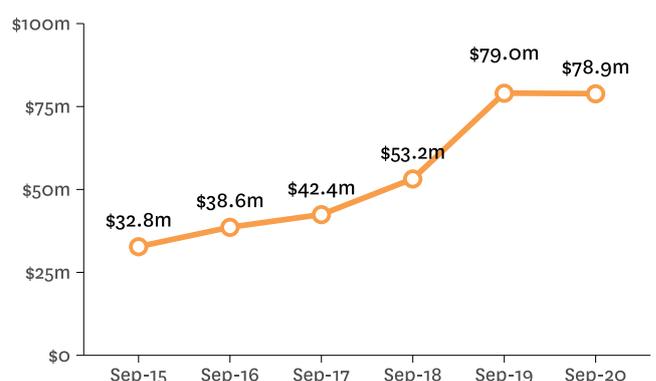
Figure 16a. Number of Benefit Advances granted during the quarter, for the last six September quarters



189,439 Benefit Advances granted during the September 2020 quarter

\$78,876,327 is the value of Benefit Advances granted during the September 2020 quarter

Figure 16b. Value of Benefit Advances granted during the quarter, for the last six September quarters



The number of Benefit Advances granted was **13,807 lower** during the **September 2020 quarter**, compared with the September 2019 quarter. This has resulted in the **value of Benefit Advances granted decreasing** by \$167,199 to a total of \$78,876,327.

Anyone receiving a main benefit who require assistance to meet an immediate essential need can have access to an advance payment of their benefit, up to six weeks of their net entitlement.