

# Ministry of Social Development Benefit Fact Sheets Snapshot - March 2022 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.

# In the Benefit Fact Sheets Snapshot

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#### Protecting our clients information - confidentiality

All information in this document has been randomly rounded to base 3. Data found here is rounded independently from other products produced by the Ministry of Social Development (MSD) resulting in small differences in the data between products.

From 12 February 2021, MSD started applying a range of new confidentiality procedures to public data releases. These procedures will continue to protect client information, while making more data available. To find out how we have changed the way we work with client information visit:

https://www.msd.govt.nz/about-msd-and-our-work/tools/how-we-keep-data-private.html

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#### Benefit Fact Sheets | March 2022 Quarter

# Main benefit assistance

## **Main benefits**

Main benefits for working-age (18–64 years) clients include: Jobseeker Support, Sole Parent Support, Supported Living Payment, Youth Payment and Young Parent Payment, Emergency Benefit, Emergency Maintenance Allowance, Jobseeker Support Student Hardship, Widow's Benefit Overseas, and Sole Parent Support Overseas.

# Figure 1a. Number of working-age clients receiving main benefits at the end of the last six March quarters

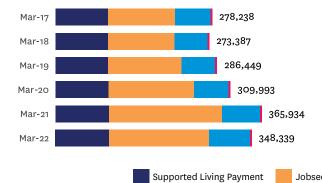
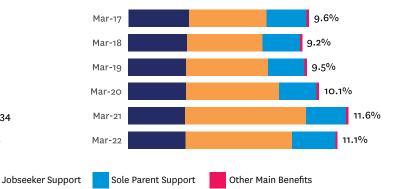


Figure 1b. Proportion of working-age population receiving main benefits at the end of the last six March quarters



**348,339** working-age people receiving a main benefit at the end of March 2022

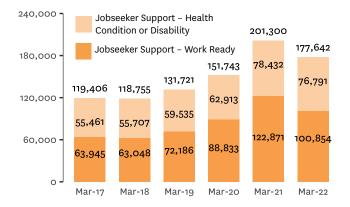
**11.1 percent** of the working-age population receiving a main benefit at the end of March 2022

The number of working-age people receiving a main benefit was 4.8 percent lower at the end of March 2022, when compared to the end of March 2021. Over the same period, benefit numbers as a proportion of the working-age population also decreased to 11.1 percent, from 11.6 percent.

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

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



**177,642** working-age people receiving Jobseeker Support at the end of March 2022

**5.6 percent** of the working-age population receiving Jobseeker Support at the end of March 2022

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



At the end of March 2022, **the number of working-age people on Jobseeker Support decreased by 11.8 percent**, when compared to the end of March 2021. **This is due to the decrease in Jobseeker Support – Work Ready**, which decreased by 17.9 percent when comparing the end of March 2022 (100,854) to the end of March 2021 (122,871).

Jobseeker Support is for people who are actively looking for or preparing for work. It includes people with part-time work obligations and those who cannot look for work at the moment (e.g. those with a health condition, injury, or disability).

### **Sole Parent Support**

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

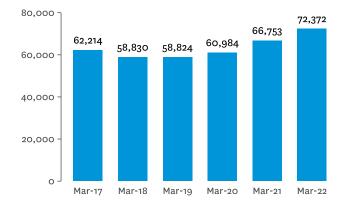


Figure 3b. Proportion of working-age population receiving Sole Parent Support at the end of the last six March quarters



**72,372** working-age people receiving Sole Parent Support at the end of March 2022

**2.3 percent** of the working-age population receiving Sole Parent Support at the end of March 2022

At the end of March 2022, **the number of working-age people receiving Sole Parent Support was 8.4 percent higher** than at the end of March 2021. **The proportion of working-age people receiving Sole Parent Support increased to 2.3 percent** at the end of March 2022.

Sole Parent Support is for single parents, with at least one dependent child under 14 years.

### **Supported Living Payment**

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

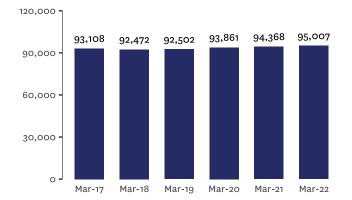
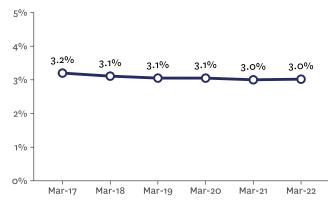


Figure 4b. Proportion of working-age population receiving Supported Living Payment at the end of the last six March quarters



**95,007** working-age people receiving Supported Living Payment at the end of March 2022

**3.0 percent** of the working-age population receiving Supported Living Payment at the end of March 2022

At the end of March 2022, **the number of working-age people on Supported Living Payment increased by 0.7 percent**, when compared to the end of March 2021. **The proportion of working-age people receiving Supported Living Payment remained steady at 3.0 percent** at the end of March 2022.

Supported Living Payment is for people who have, or care for someone with, a health condition, injury or disability that limits their ability to work. The long-term nature of conditions for people on Supported Living Payment mean that fewer people transfer to other benefits or move into paid employment, compared to other benefit types.

# Regional distribution of Jobseeker Support as a proportion of the working-age population, by Work and Income region, at March 2022

Comparing the end of March 2022 with end of March 2021, the proportion of the working-age population\* receiving Jobseeker Support decreased in all regions. Northland had the highest proportion receiving Jobseeker Support at 9.8 percent, at the end of March 2022.

The largest percentage point decreases were seen in Northland (1.1 percent), East Coast (1.0 percent), and Taranaki (0.9 percent).

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.

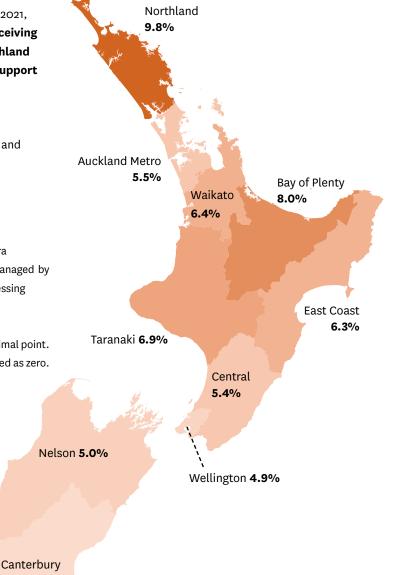
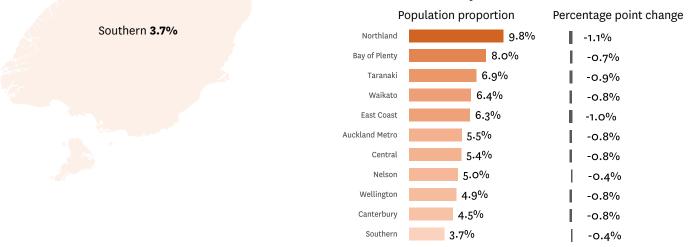


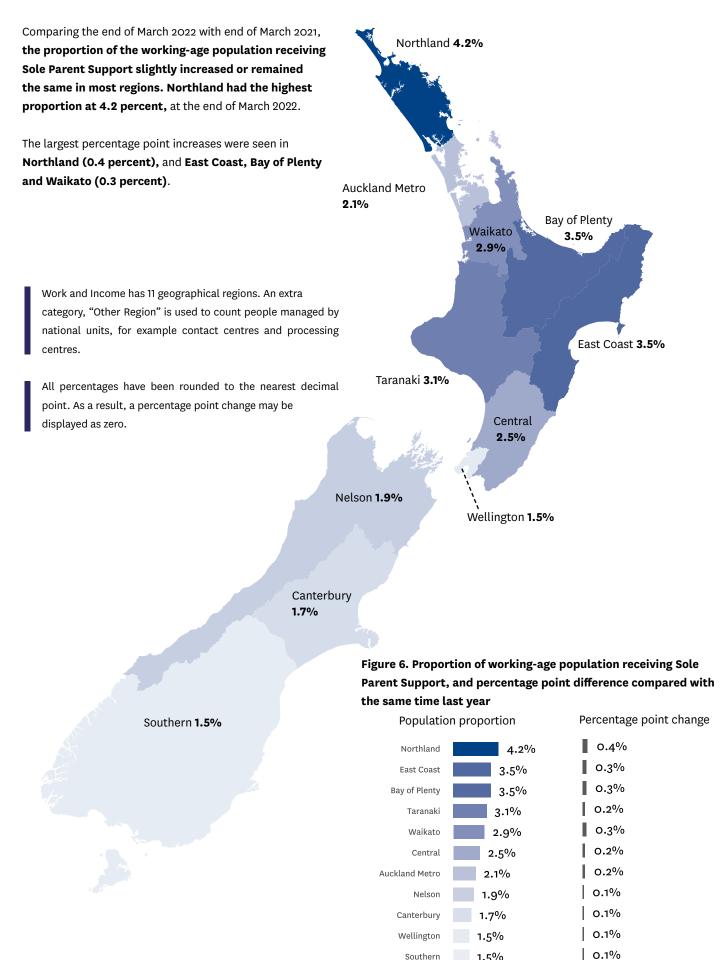
Figure 5. Proportion of working-age population receiving Jobseeker Support, and percentage point difference compared with the same time last year



4.5%

\* The regional estimated working-age population figures used on pages three and four of this report have been calculated using Statistics New Zealand's revised regional population estimates as at June 2021.

## **Regional distribution of Sole Parent Support as a proportion of the** working-age population, by Work and Income region, at March 2022



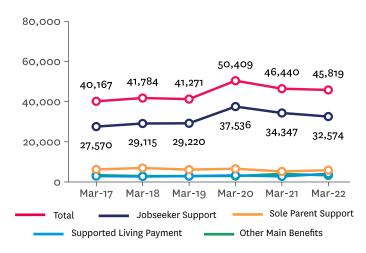
Southern

1.5%

# **Benefit grants and cancellations**

### **Benefit grants**

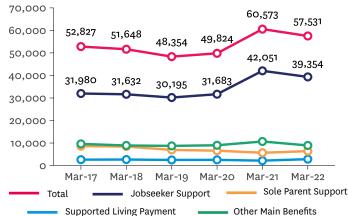
#### Figure 7. Number of benefits granted during the last six March quarters



### **Benefit cancellations**

#### Figure 8a. Number of cancellations by benefit during

#### the last six March quarters

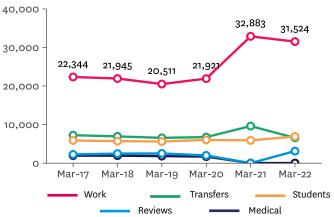


The total number of benefits granted during the March **2022 quarter decreased by 621**, or 1.3 percent, when compared with the March 2021 quarter.

There were 32,574 benefit grants for Jobseeker Support during the March 2022 quarter, a decrease of 1,773, or 5.2 percent, when compared with the March 2021 quarter.

A benefit grant is the formal acceptance of entitlement to a benefit. The numbers reported here are for the total number of main benefits granted during the March quarter (i.e. 1 January to 31 March), for the last six March quarters.

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



**57,531** benefit cancellations during the March 2022 quarter

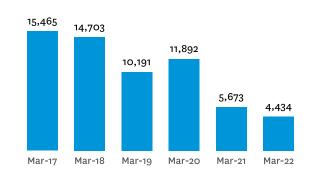
**31,524** benefit cancellations during the March 2022 quarter due to obtaining work

The number of benefit cancellations during the March 2022 quarter decreased by 3,042 when compared to the March 2021 quarter, or a decrease of 5.0 percent. Obtaining work, a main reason for benefit cancellations, decreased by 4.1 percent when compared to the March 2021 quarter.

A cancellation (cancel) is the formal process that ends the entitlement to a benefit. The numbers reported above are for benefits cancelled within the March quarter (i.e. 1 January to 31 March), for the last six March quarters.

## **Benefit sanctions**

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

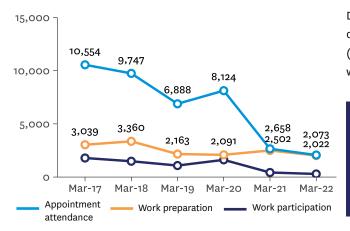


The number of sanctions issued during the March 2021 quarter was 4,434. Between 23 March 2020 and 27 May 2020, work related obligation failures were suspended. They restarted back in late June 2020.

A sanction is a reduction in a person's benefit that may occur 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 sanction over the last 12 months. There are three types of sanctions: graduated (i.e. percentage reduction in benefit amount), suspended, or cancelled.

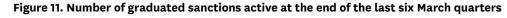
#### Benefit Fact Sheets | March 2022 Quarter

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



During the March 2022 quarter, the main reasons for unfulfilled work obligation sanctions were clients **not attending appointments** (including seminar appointments) and **failing to prepare for work**, with 2,073 and 2,022 sanctions, respectively.

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 of their benefit.





At the end of March 2022, **there were 918 graduated sanctions actively in place** (i.e. when a client has a percentage reduction in their weekly benefit rate).

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

## **Supplementary assistance**

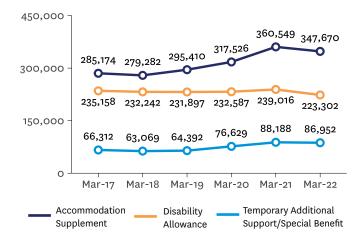


Figure 12. Number of recipients of supplementary assistance at the end of the last six March quarters

The number of people receiving **Accommodation Supplement** at the end of March 2022 **decreased by 12,879** when compared to the end of March 2021.

The number of people receiving **Temporary Additional Support/ Special Benefit** at the end of March 2022 **decreased by 1,236** when compared to the end of March 2021.

The number of people receiving **Disability Allowance** at the end of March 2022 **decreased by 15,714** when compared to the end of March 2021.

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 is not available to those in public housing or charged Income-Related Rent. The number of people receiving an Accommodation Supplement tends to change in line with main 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 number of people receiving a Disability Allowance tends to change in line with main 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 or 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.

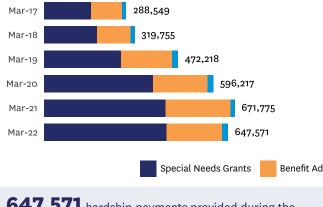
# Hardship assistance

A total of **647,571 hardship assistance payments, worth \$238,759,445** were provided during the March 2022 quarter. Compared with the March 2021 quarter, the number of hardship assistance payments was 3.6 percent lower but the value of hardship payments was 9.8 percent higher.

Hardship assistance includes, but is not limited to: Special Needs Grants, Benefit Advances, and Recoverable Assistance Payments. These forms of assistance are designed to help people who have immediate needs. The numbers reported for hardship assistance are those provided within the March quarter (i.e. 1 January to 31 March). Hardship assistance data is not limited to the working-age population (i.e. 18–64 years).

## Total hardship assistance

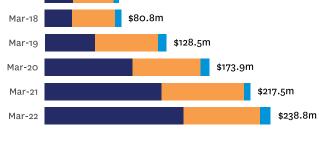
Figure 13a. Number of hardship payments provided during the quarter for the last six March quarters, by type of assistance



Mar-17 \$78.3m

Figure 13b. Value of hardship payments provided during the

quarter for the last six March quarters, by type of assistance



Benefit Advance Payments Recoverable Assistance Payments

**647,571** hardship payments provided during the March 2022 quarter

**\$238,759,445** is the value of hardship payments provided during the March 2022 quarter

## **Reasons for granting hardship assistance**

311,028

32,142

Mar-20

Figure 14a. Number of hardship payments provided during the quarter for the last six March quarters, by selected reason

212.871

17.262

Mar-19

Emergency housing

143,985

6,138

Mar-18

121,401

9,216

Mar-17

Food

800,000

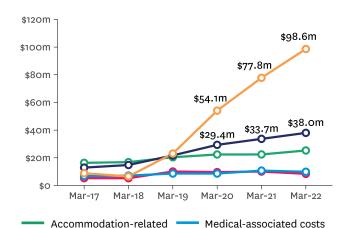
600,000

400,000

200,000

0

Figure 14b. Value of hardship payments provided during the quarter for the last six March quarters, by selected reason



**The number of Special Needs Grants for food has increased** since the March 2021 quarter. There were 4,188 more Special Needs Grants for food provided, totalling 363,888 during the March 2022 quarter. The value of Special Needs Grants for food provided increased by 12.9 percent to \$38,004,153 during the March 2022 quarter.

359,700 363,888

35,220

Mar-22

Electricity and gas

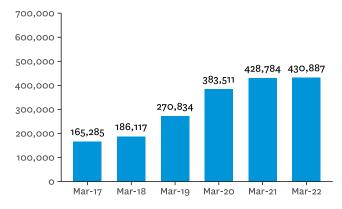
34,314

Mar-21

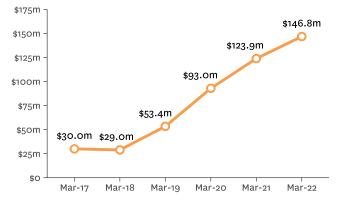
The number of Emergency Housing Special Needs Grants during the March 2022 quarter increased when compared with the same period last year. There were 906 more Emergency Housing Special Needs Grants provided, totalling 35,220 during the March 2022 quarter.

## **Special Needs Grants**

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



## Figure 15b. Value of Special Needs Grants provided during the quarter, for the last six March quarters



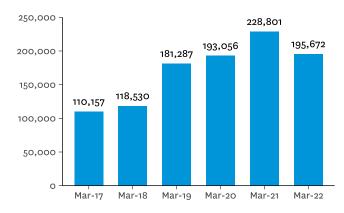
**430,887** Special Needs Grants provided during the March 2022 quarter

**\$146,817,367** is the value of Special Needs Grants provided in the March 2022 quarter The number of Special Needs Grants provided was 2,103 higher during the March 2022 quarter when compared to the same period in 2021. The value of grants provided increased from \$123,929,433 during the March 2021 quarter to \$146,817,367 during the March 2022 quarter.

A Special Needs Grant provides a non-taxable, one-off recoverable or nonrecoverable payment to help people meet immediate needs. A person does not need to be receiving a main benefit to be eligible for a Special Needs Grant.

### **Benefit Advances**

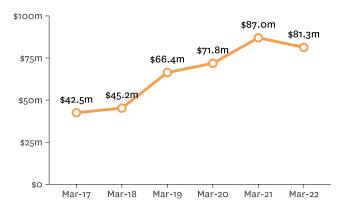
## Figure 16a. Number of Benefit Advances provided during the quarter, for the last six March quarters



**195,672** Benefit Advances provided during the March 2022 quarter

**\$81,305,387** is the value of Benefit Advances provided during the March 2022 quarter

# Figure 16b. Value of Benefit Advances provided during the quarter, for the last six March quarters



#### The number of Benefit Advances provided was 33,129 fewer during the

**March 2022 quarter**, compared with the March 2021 quarter. This has resulted in **the value of Benefit Advances provided decreasing** by 6.6 percent to a total of \$81,305,387.

Anyone receiving a main benefit who requires assistance to meet an immediate essential need can have access to a Benefit Advance. The advance can be up to six weeks of their net entitlement, and is recovered from subsequent payments of benefit. People not receiving a main benefit may receive Recoverable Assistance Payments.