



MINISTRY OF SOCIAL DEVELOPMENT

Te Manatū Whakahiato Ora



THE STATISTICAL REPORT

FOR THE YEAR ENDING JUNE 2010

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Introduction to The Statistical Report

Introduction

This report:

- presents a range of information about the use of the services and financial assistance provided by the Ministry of Social Development (MSD)
- is focused on the period between 1 July 2005 and 30 June 2010.

Within this report, information is also placed into a broader population context. Some of the statistics presented in this report are also available for earlier years, on request from MSD's Decision Support team.

We anticipate that the information contained in the report will be of value to anyone working in the social services sector, whether in a policy, research or service delivery capacity.

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

Structure of the report

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

Eight sections are organised around the types of service provided. The sections are:

- 1 'Main benefits' – outlines information about the eligibility for and use of benefits such as Unemployment Benefits and Invalid's Benefits.
- 2 'Supplementary benefits' – information about the eligibility for and use of supplementary assistance, such as Accommodation Supplements and Childcare Subsidy.
- 3 'Hardship assistance' – information about the eligibility for and use of other assistance available for people in hardship, such as Temporary Additional Support and Special Needs Grants.
- 4 'Superannuation and pensions' – information about the eligibility for and use of New Zealand Superannuation and Veteran's Pensions.
- 5 'Employment services' – information about the eligibility for and use of employment services provided by Work and Income.
- 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 the eligibility for and use of services to students provided by StudyLink and by Work and Income.
- 8 'Other services' – outlines information about other services to the public and to the Government provided by MSD, such as Community Services Cards and payments of pensions and benefits overseas.

To help you to find the information you need quickly, we've produced an alphabetical subject list that is available as part of the online version of the report. This list will allow you to click through to the information in which you are interested.

Conventions in this report

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' prior to 2007.

Throughout this report, financial assistance is referred to:

- by its official name at the end of June 2010 (eg Domestic Purposes Benefit – Sole Parent), or
- as part of groups 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 available.

SOLO is used to record information about registered job seekers and about employment services being provided. Comprehensive records of information entered from 1999 onward are available.

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

Aggregations used

Period covered by the report

The report focuses on the period from 1 July 2005 to 30 June 2010. Descriptions of trends summarise changes during that period. These descriptions are not a complete record of historical trends.

What data is 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
- cease receiving it before the following June.

Which clients are included in these 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 have not yet received specific work services
 - vacation workers
 - people already working full-time, but seeking assistance to change jobs or to retain the jobs they have and who have not yet received specific work services.

Rounding of statistics

All percentages shown in tables are rounded to one decimal place. Because of rounding, percentages may not add to 100%.

Expenditure

Expenditure information shown differs from official MSD expenditure data and should not be cited as official MSD expenditure data.

These differences arise because of:

- the smoothing of some expenditure data
- the deduction of debt established from some data
- the adjustment of monthly data to standardised payment periods
- the inclusion in some expenditure data of selected supplementary benefits paid to recipients of a pension or main benefit.

These modifications to the expenditure data presented are made so that:

- expenditure series allow comparisons over time, without needing to consider:
 - changes in operational practice or policies around levels of supplementary benefit
 - changes in accounting conventions, or
 - the number of benefit pay periods in a month
- information shows the 'net gain' to clients from receiving financial assistance paid by Work and Income.

Official MSD expenditure data is available from the MSD Annual Report to Parliament.

Definition of transfers within the benefit system

A transfer within the benefit system is recorded when there is an interval of 14 days or fewer between the date when:

- a client's benefit is cancelled
- the same client is subsequently granted a benefit.

The client may be granted the same type of benefit as was cancelled, or a different type of benefit. Transfers within the same benefit group may occur when:

- a client's circumstances change (eg a beneficiary receiving an Unemployment Benefit – Hardship reaches the residential requirement for an Unemployment Benefit and transfers to that benefit), or
- a client's benefit is cancelled then resumed as part of a review of the client's needs and entitlements.

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 Veteran's Pension together as 'pensions'. This is done to aid the flow of the text.

Definition of 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.

Differences between the officially unemployed and recipients of an Unemployment Benefit

Key differences between these categories are outlined in table DU.1.

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)
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 per week	Seeking full-time employment
Current work status	Less than one hour per 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

Overall trends in use of financial assistance

Trends in the number receiving assistance

The number receiving financial assistance responded to changing economic conditions

The global recession began to affect New Zealand in 2008. While policy responses dampened the effects of the economic downturn, rising unemployment led to an increased need for social assistance between 2008 and 2010 (see table OT.1).

Earlier economic growth between 2006 and 2008 reduced the difficulty of finding work, leading to a smaller number of people requiring an Unemployment Benefit or other income-replacement main benefit.

Work and Income practices shifted to address changing patterns of need

Changes in policies and operational processes in this period included Work and Income placing an increased emphasis on:

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

The number receiving a pension or New Zealand Superannuation increased

This increase (see table OT.1) reflected the impacts of the ageing of the New Zealand population.

Population ageing is also reflected in New Zealand Superannuation grants exceeding cessations of New Zealand Superannuation.

The number receiving a supplementary benefit increased between 2008 and 2010

The number of people receiving one or more supplementary benefits, Temporary Additional Support or a Special Benefit increased between 2008 and 2010 (see table OT.1).

This increase reflected:

- the ongoing replacement of Special Benefits by Temporary Additional Support
- the impacts of deteriorating economic conditions between 2008 and 2010 on:
 - the number receiving main benefits
 - working people.

table OT.1: Number of people receiving financial assistance from Work and Income

Client group and assistance received at the end of June	Clients receiving financial assistance from Work and Income ¹				
	2006 Number	2007 Number	2008 Number	2009 Number	2010 Number
All recipients of a main benefit ²	291,241	271,569	268,972	321,694	344,332
Working-age recipients of a main benefit ²	280,299	261,009	258,317	310,296	332,924
Recipients of New Zealand Superannuation or a pension ^{3,4}	498,297	512,782	525,012	541,774	561,053
Recipients of one or more supplementary benefits, Temporary Additional Support or a Special Benefit ^{5,6}	464,226	463,027	466,645	520,807	548,824

Notes

- 1 Number of clients recorded in SWIFTT 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 of 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.

Trends in the proportion of the New Zealand population receiving financial assistance or employment services from Work and Income

The proportion of working-age people receiving a main benefit increased between 2008 and 2010

This increase (see figure OT.1) reflected the impacts of the economic recession on employment.

Decreases between 2006 and 2008 in the proportion of working-age people receiving a main benefit reflected a combination of:

- ongoing changes during these years in the economy and in the labour market
- operational and policy changes
- demographic factors (ageing of the population, people having children later etc).

Between 2008 and 2010, people aged 18 years or over became more likely to be receiving a supplementary benefit, Temporary Additional Support or a Special Benefit

This increase (see figure OT.1) reflected:

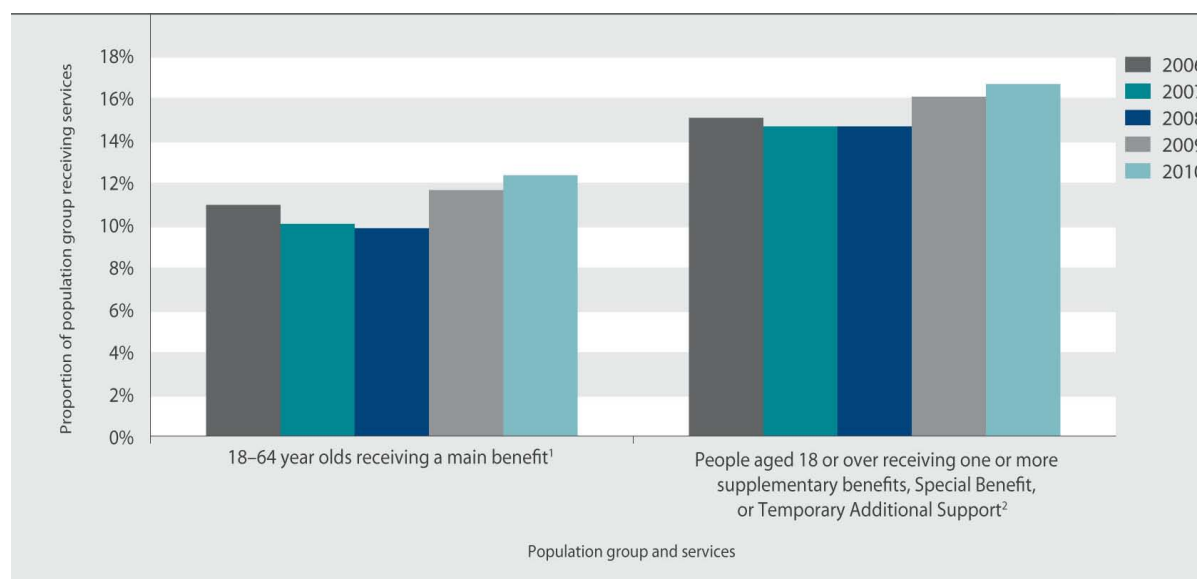
- an increased number receiving a main benefit
- increased financial hardship encountered by working families.

Between 2006 and 2008, around 15% of people aged 18 years or over were receiving one or more supplementary benefits, Temporary Additional Support or a Special Benefit (see figure OT.1). The stability of this trend reflected a combination of:

- a decreasing number receiving a main benefit
- increasing use of this assistance by working families.

The increased use of this assistance between 2006 and 2008 by working families followed the broadening of eligibility for this assistance under the Working for Families package.

figure OT.1: Proportions of working-age people receiving a main benefit and of people aged 18 years or over receiving one or more supplementary benefits, Temporary Additional Support or a Special Benefit



Notes

1 Proportion for 18-64 year olds receiving a main benefit shows:

- numbers of 18-64 year olds recorded in SWIFTT as receiving a main benefit at the end of June, divided by
- Statistics New Zealand's final estimate of the resident population aged 18-64 years at the end of June.

2 Proportion of people aged 18 and over receiving specified benefits shows:

- the number of people aged 18 years or over recorded in SWIFTT as receiving one or more supplementary benefits (including an Unsupported Child's Benefit or an Orphan's Benefit), Temporary Additional Support or a Special Benefit at the end of June, divided by
- Statistics New Zealand's final estimate of the resident population aged 18 years or over at the end of June.

See table PP.1 for a summary of the data underlying figure OT.1.

For more information about the use of main benefits, see table OT.2

This table outlines trends in the use of main benefits since 1940.

Trends since 1940 in use of New Zealand Superannuation, pensions and other benefits

Table OT.2 shows trends since 1940 in the number of clients receiving New Zealand Superannuation, pensions and other benefits.

table OT.2: Historical summary – number of people receiving New Zealand Superannuation, pensions and other benefits 1940–2010^{1,2}

Year ³	Unemployment Benefits, other unemployment associated benefits and Emergency Benefit ⁴	Independent Youth Benefit ⁵	Sickness Benefits ⁶	Invalid's Benefit	Miner's Benefit	Domestic Purposes Benefits ⁷	Widow's Benefit	Unsupported Child's Benefit and Orphan's Benefit ⁸	Family Benefit ⁹	Transitional Retirement Benefit ¹⁰	NZ Superannuation ¹¹	Veteran's Pension ¹²
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 ⁹		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	
1986	42,405		9,517	21,993	10	62,570	13,304	364	455,330		465,079	
1987	63,922		11,116	23,087	10	69,146	13,019	496	450,072		473,401	
1988	86,782		13,132	24,379	9	74,862	12,862	1,537	436,066		479,985	
1989	123,565		16,021	26,260	7	85,615	13,026	2,993	437,287		485,962	
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

table continues next page...

Year ³	Unemployment Benefits, other unemployment associated benefits and Emergency Benefit ⁴	Independent Youth Benefit ⁵	Sickness Benefits ⁶	Invalid's Benefit	Miner's Benefit	Domestic Purposes Benefits ⁷	Widow's Benefit	Unsupported Child's Benefit and Orphan's Benefit ⁸	Family Benefit ⁹	Transitional Retirement Benefit ¹⁰	NZ Superannuation ¹¹	Veteran's Pension ¹²
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

Notes

- 1 An historical summary of the number of people receiving New Zealand Superannuation, a pension or a main benefit prior to 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 Veteran's 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 Veteran's Pension include non-qualified spouses from 1996.
- 3 Prior to 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 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 Veteran's Pension, but excludes the number receiving a War Pension. Since 1 July 1999, Veteran's Pension and War Pension have been funded from Vote: Veteran's Affairs – Social Development.

Trends in expenditure on New Zealand Superannuation, pensions and main benefits

Notes on expenditure data

The expenditure data provided in table OT.3 and table OT.4 excludes expenditure on supplementary benefits paid to recipients of the assistance shown. This expenditure is included in expenditure data provided for specific pensions and benefits and in table OT.5.

All expenditure data provided in this report for Unemployment Benefits and other unemployment-associated benefits also includes expenditure on Emergency Benefit.

This is done to ensure a consistent series over time for expenditure on these benefits.

Information in this report on the use of Unemployment Benefits (see 'Main benefits', table MB.2 and tables UB.1–UB.7) excludes:

- other unemployment-associated benefits
- Emergency Benefit.

The use of these benefits is reported in separate sections of this report.

Expenditure on main benefits increased between 2007/2008 and 2009/2010

This increase (see table OT.3) reflected increases in both the number receiving a main benefit and the rates at which benefits were paid.

This followed a decrease between 2005/2006 and 2007/2008 (see table OT.3). This decrease reflected a smaller number receiving a main benefit over this period.

Nearly two-fifths of benefit expenditure was on Domestic Purposes Benefits and nearly one-third on Invalid's Benefit

Of the expenditure on main benefits between 2007/2008 and 2009/2010 (see table OT.3):

- between 36% and 38% was on Domestic Purposes Benefits
- around 15% was on Sickness Benefits.

Between 2007/2008 and 2009/2010, the proportion of this expenditure which was for (see table OT.3):

- Unemployment Benefits increased from 12% to 20%
- Invalid's Benefit decreased from 32% to 28%.

Expenditure on New Zealand Superannuation and pensions increased in recent years

The increase between 2005/2006 and 2009/2010 (see table OT.3) reflected:

- increases in the number of clients receiving New Zealand Superannuation and pensions
- adjustments to the rate at which New Zealand Superannuation and pensions were paid.

During this period, New Zealand Superannuation accounted for virtually all expenditure on New Zealand Superannuation and pensions.

table OT.3: Expenditure on New Zealand Superannuation, pensions and main benefits^{1,2,3}

Type of pension or main benefit	Expenditure on New Zealand Superannuation, pensions and main benefits ^{1,2,3}				
	2005/2006 Amount (\$m)	2006/2007 Amount (\$m)	2007/2008 Amount (\$m)	2008/2009 Amount (\$m)	2009/2010 Amount (\$m)
Unemployment Benefits, other unemployment-associated benefits and Emergency Benefit ^{4,6}	618	531	398	522	830
Domestic Purposes Benefits ^{4,7}	1,238	1,216	1,223	1,309	1,464
Sickness Benefits ^{4,8}	457	483	491	531	621
Invalid's Benefit ⁴	897	945	1,014	1,087	1,140
Widow's Benefit ⁴	69	65	61	60	63
Total expenditure on main benefits^{3,4}	3,279	3,240	3,186	3,510	4,118
New Zealand Superannuation ⁵	5,232	5,542	5,966	6,455	6,963
Veteran's Pension ⁵	105	118	133	150	154
Total expenditure on New Zealand Superannuation and pensions^{3,5}	5,337	5,661	6,099	6,605	7,117
Total expenditure on New Zealand Superannuation, pensions and main benefits³	8,617	8,900	9,285	10,115	11,235

Notes

- 1 Expenditure for years ended June. Expenditure shown is calculated on an accrual basis and excludes debts established.
- 2 Expenditure data in this table differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.
- 3 Figures shown may not add to the totals provided because of rounding.
- 4 Expenditure on main benefits excludes tax paid on these benefits and excludes supplementary benefits provided to recipients of a main benefit.
- 5 Expenditure on New Zealand Superannuation and pensions excludes tax estimated at the 'M' tax rate and excludes supplementary benefits provided to recipients of New Zealand Superannuation or pensions. Expenditure on pensions paid to recipients living in the United Kingdom is also excluded.
- 6 Unemployment Benefits comprise Unemployment Benefit and Unemployment Benefit – Hardship. Other employment-associated benefits comprise Unemployment Benefit – Training, Unemployment Benefit – Hardship – Training, Unemployment Benefit – Student – Hardship and Independent Youth Benefit.
- 7 Comprise Domestic Purposes Benefit – Sole Parent, Domestic Purposes Benefit – Care of Sick or Infirm, Domestic Purposes Benefit – Women Alone and Emergency Maintenance Allowance.
- 8 Comprise Sickness Benefit and Sickness Benefit – Hardship.

Between 2008 and 2010, the cost of New Zealand Superannuation, pensions and main benefits increased as a proportion of Gross Domestic Product

Expenditure on New Zealand Superannuation, pensions and main benefits accounted for 5.9% of Gross Domestic Product (GDP) in 2009/2010 (see table OT.4). This compared with 5.2% in 2007/2008.

This increase reflected a combination of:

- increases in expenditure both on main benefits and on New Zealand Superannuation and pensions
- slowed growth in GDP compared with that achieved between 2005/2006 and 2007/2008.

The proportion of GDP accounted for by expenditure on New Zealand Superannuation, pensions and main benefits decreased between 2005/2006 and 2007/2008. This reflected a combination of:

- decreased expenditure on main benefits
- increased expenditure on New Zealand Superannuation and pensions
- yearly increases in GDP.

table OT.4: Proportion of GDP accounted for by expenditure on New Zealand Superannuation, pensions and main benefits

Type of expenditure	Expenditure on pensions and main benefits ^{1,2,3}				
	2005/2006	2006/2007	2007/2008	2008/2009	2009/2010
Total expenditure on main benefits (\$m) ⁴	3,279	3,240	3,186	3,510	4,118
Total expenditure on New Zealand Superannuation and pensions (\$m) ⁵	5,337	5,661	6,099	6,605	7,117
Total expenditure on pensions and main benefits (\$m)	8,617	8,900	9,285	10,115	11,235
GDP (\$m) ⁶	158,283	168,571	179,048	180,210	189,295
Expenditure on main benefits as a percentage of GDP⁴	2.1%	1.9%	1.8%	1.9%	2.2%
Expenditure on New Zealand Superannuation and pensions as a percentage of GDP⁵	3.4%	3.4%	3.4%	3.7%	3.8%
Percentage of GDP⁷	5.4%	5.3%	5.2%	5.6%	5.9%

Notes

- 1 Expenditure on New Zealand Superannuation, pensions and main benefits for years ended June. Expenditure shown is calculated on an accrual basis and excludes debts established.
- 2 Expenditure data in this table differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.
- 3 Figures shown may not add to the totals provided because of rounding.
- 4 Excludes tax paid on main benefits, and excludes expenditure on supplementary benefits provided to recipients of a main benefit.
- 5 Excludes tax estimated at the 'M' tax rate, excludes expenditure on supplementary benefits provided to pension recipients and excludes expenditure on pensions paid to recipients in the United Kingdom.
- 6 Expenditure on GDP in actual current prices (Statistics New Zealand series SNC-S1NB15). Statistics provided include all revisions as at release of June 2008-quarter data. Value shown is sum of quarters ended September to June.
- 7 Total combined expenditure on New Zealand Superannuation, pensions and main benefits for years ended June as a percentage of GDP in years ended June.

Trends since 1940 in expenditure on New Zealand Superannuation, pensions and other benefits

Table OT.5 shows trends since 1940 in expenditure on these financial services.

Figures given in table OT.5 may differ from expenditure information on benefits and pensions published in other sources. This is because these figures:

- include expenditure on supplementary benefits to people who were also receiving the financial services indicated, while expenditure data published in other sources may not
- reflect (from 1996) deductions for debts established and for clients receiving overseas pensions as well as the New Zealand Superannuation, pensions or benefits shown.

table OT.5: Historical summary – expenditure on New Zealand Superannuation, pensions and other benefits 1940–2010 (\$000) ^{1,2,3,4,5,6}

Year ⁷	Unemployment Benefits, other unemployment associated benefits and Emergency Benefit ⁸	Independent Youth Benefit ⁹	Sickness Benefits ¹⁰	Invalid's Benefit	Miner's Benefit	Domestic Purposes Benefits ¹¹	Widow's Benefit	Unsupport- ed Child's Benefit and Orphan's Benefit ¹²	Family Benefit ¹³	Transi- tional Retire- ment Benefit ¹⁴	NZ Super- annuation ¹⁵	Veteran's Pension ¹⁶
1940	869		418	1,884	185		1,572	30	505		13,036	
1945	56		704	2,145	149		1,971	47	2,810		18,974	
1950	21		2,017	2,795	240		4,320	62	29,702		34,627	
1955	11		2,554	3,233	257		5,329	58	36,358		58,002	
1960	380		3,439	4,237	226		7,832	79	63,584		85,502	
1965	197		3,914	4,830	153		10,215	110	65,925		110,314	
1970	1,465		6,073	6,093	99		13,742	150	73,318		155,822	
1975	5,155		15,887	13,665	84	30,156	27,967	381	153,175		365,803	
1980	66,077		33,236	40,924	76	169,449	53,342	778	220,854		1,334,115	
1985	274,689		72,550	105,724	72	460,385	78,495	1,004	284,167		2,743,512	
1986	290,462		91,762	133,287	76	603,878	89,338	1,281	281,957		3,341,211	
1987	459,685		124,292	159,823	74	709,568	94,732	1,700	273,248		3,650,165	
1988	672,694		159,850	196,051	69	808,787	104,170	6,174	290,556		3,986,544	
1989	987,275		197,745	226,304	72	962,871	106,062	14,074	258,445		4,314,259	
1990	1,291,516		229,568	260,751	68	1,136,718	114,888	24,742	284,444		4,774,676	1,147
1991	1,483,324		248,672	289,212	39	1,207,856	106,070	20,697	222,996		5,173,859	29,639
1992	1,519,794	25,605	239,415	348,810	14	1,161,191	85,468	15,080			5,514,482	33,331
1993	1,638,905	28,640	284,597	372,786		1,159,737	84,977	16,473			5,315,899	47,793
1994	1,591,047	26,263	329,995	422,324		1,228,054	86,665	19,185		17,385	5,102,551	54,660
1995	1,407,266	21,547	352,167	463,598		1,300,173	81,258	20,557		79,167	5,083,119	57,217
1996	1,373,513	21,552	378,850	494,849		1,440,122	85,008	22,929		90,698	5,170,506	60,612
1997	1,468,178	20,739	406,164	555,200		1,563,488	91,249	26,870		96,819	5,239,129	64,963
1998	1,593,891	20,764	434,956	622,157		1,654,035	93,931	29,831		99,875	5,259,198	70,414
1999	1,688,066	26,610	403,708	654,432		1,610,910	93,235	32,152		105,412	5,221,501	72,645
2000	1,679,544	29,229	384,680	700,385		1,590,813	91,592	35,413		112,384	5,227,598	73,801
2001	1,576,914	31,532	385,680	761,656		1,575,974	89,008	38,567		114,108	5,422,012	78,354
2002	1,456,216	29,782	415,683	843,535		1,588,381	88,958	41,953		86,567	5,600,488	83,605
2003	1,325,672	25,205	460,209	926,515		1,634,477	90,265	47,081		42,013	5,798,873	87,625
2004	1,133,429	23,350	518,943	996,639		1,716,917	90,252	50,991		9,679	6,059,395	95,803
2005	882,817	20,628	571,866	1,057,376		1,725,624	87,424	55,827			6,269,743	103,890
2006	763,757	18,266	612,367	1,097,936		1,682,154	82,446	64,624			6,615,876	112,335
2007	652,390	15,827	640,912	1,155,312		1,634,442	77,534	70,579			7,021,852	125,207
2008	495,014	13,320	652,576	1,245,464		1,635,728	72,797	80,966			7,571,533	140,686
2009	662,584	16,440	713,260	1,336,662		1,764,541	72,534	87,835			7,982,331	157,792
2010	1,063,884	20,095	837,330	1,396,520		1,961,841	76,899	101,434			8,544,678	161,957

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Notes

- 1 Expenditure figures shown are on a cash basis until 30 June 1994, and on an accrual basis thereafter. Accrual figures exclude repayable amounts such as recoverable Special Needs Grants or benefit advances that are recorded as capital expenditure. Accrual figures are also net of debts established and recoveries from clients receiving overseas pensions as well as the above benefits or pensions.
- 2 Expenditure figures shown here are net of taxation, except for New Zealand Superannuation, which is shown gross of taxation.
- 3 Expenditure figures include expenditure on selected supplementary benefits and other assistance paid to clients receiving the New Zealand Superannuation, benefits and pensions shown. The selected supplementary benefits and other assistance comprise Accommodation Supplement, Disability Allowance, Telephone Costs Payment (previously known as Disability Allowance – Telephone Support), Disability Assistance Programme payments, Tenure Protection Allowance, Special Transfer Allowance, Training Incentive Allowance, Special Benefit, Temporary Additional Support, non-recoverable Special Needs Grants, Community Costs Programme, Transition to Work assistance, Employment Transition Programme, Pathways Payment, New Employment Transition Grant, Seasonal Work Assistance, Course Participation Assistance, Transitional Working for Families Supplement, Transitional Supplement, Student Allowance Transfer Grants, Residential Social Rehabilitation Assistance Programme payments, Transitional Assistance and Redundancy Assistance payments.
- 4 From 1996, data reflects deductions for debts established and for clients receiving a pension from overseas as well as receiving New Zealand Superannuation, a pension or a main benefit.
- 5 Expenditure data in this table differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.
- 6 An historical summary of expenditure on income support prior to 1940 is included in the 1990 *New Zealand Official Yearbook*, p. 210. Expenditure since 1977 on Emergency Benefit or benefits paid on grounds of hardship has been included in expenditure on the related benefit.
- 7 Prior to 1990, the year ended 31 March; from 1990 onwards, the year ended 30 June.
- 8 Includes expenditure on Unemployment Benefit, Unemployment Benefit – Hardship, Unemployment Benefit Training, Unemployment Benefit – Hardship – Training, Unemployment Benefit – Student – Hardship, Emergency Benefit and Independent Youth Benefit. Includes expenditure on Unemployment Benefits paid to people aged 55 years or over. From 1991 to 1998 includes Emergency Unemployment Benefits and Job Search Allowances. From 1998 includes Young Job Seeker's Allowance and Emergency Benefit. From 1 July 2001 includes Unemployment Benefit – Student Hardship. From 1 October 1998 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.
- 9 Independent Youth Benefits began in December 1990, and expenditure is included in expenditure on unemployment-associated benefits. Expenditure on Independent Youth Benefit has also been separated out as far as possible.
- 10 Includes expenditure on Sickness Benefit and Sickness Benefit – Hardship.
- 11 Includes expenditure on Domestic Purposes Benefit – Sole Parent, Domestic Purposes Benefit – Care of Sick or Infirm, Domestic Purposes Benefit – Women Alone and Emergency Maintenance Allowance.
- 12 Recipients of Unsupported Child's Benefit or Orphan's Benefit may or may not also be receiving New Zealand Superannuation, a pension or a main income-replacement benefit. Unsupported Child's Benefit and Orphan's Benefit are not main income-replacement benefits.
- 13 Family Benefits were paid without a means test from 1 April 1946, and were abolished from 1 April 1991. Ongoing problems with data and programs used to extract the statistics related to Family Benefits have meant that these figures are of uncertain accuracy.
- 14 Transitional Retirement Benefit was introduced on 1 April 1994 and its phase-out was completed on 1 April 2004.
- 15 Up to 1975, superannuation and age-related pensions were combined. From 1976, superannuation and age-related pensions were replaced by National Superannuation. For the period 1 April 1990 to 31 March 1992, this pension was called Guaranteed Retirement Income. From 1 April 1992 to 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 includes expenditure since 1940 on non-qualified spouses receiving New Zealand Superannuation.
- 16 Includes expenditure since 1940 on non-qualified spouses receiving a Veteran's Pension, but excludes expenditure on War Pension. Since 1 July 1999, Veteran's Pension and War Pension have been funded from Vote: Veteran's Affairs – Social Development.

Administration of financial assistance

Income testing

How income testing works

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

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

What is income testing?

Income testing involves:

- the assessment of income in the six months prior to when a person applies for a main benefit
- ongoing monitoring of income received in addition to a main benefit.

Who is income tested?

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

- receiving a main benefit, apart from Invalid's Benefit paid to totally blind people
- receiving supplementary benefits apart from 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 Veteran's Pension, or
- aged under 65 years and receiving a Veteran's 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 per week before tax) 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:

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

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.

Other income declared by recipients of a main benefit

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 who are 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 amount (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?

In recent years, all clients receiving a benefit could receive up to \$80 per week (before tax) in other income before their benefit payments were affected.

This amount was \$100 per week (before tax) for clients receiving:

- an Invalid's Benefit
- a Widow's Benefit or a Domestic Purposes Benefit – Sole Parent, if they were paying for childcare.

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

How did income above this amount affect benefits?

For each dollar of income above this amount:

- Unemployment Benefits, other unemployment-associated benefits and Sickness Benefits were reduced by 70c
- Domestic Purposes Benefits, Widow's Benefit and Invalid's Benefit were reduced by:
 - 30c for income between \$80 and \$180 per week (before tax)
 - 70c for income above \$180 per week (before tax).

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

How often did Work and Income work out a client's income?

The assessment period for the income test was:

- annual for Domestic Purposes Benefits, Widow's Benefit, Invalid's Benefit, Transitional Retirement Benefit, New Zealand Superannuation and Veteran's Pension
- weekly for all other main benefits and for all supplementary benefits. The main benefits for which income was assessed weekly were:
 - Unemployment Benefits and other unemployment-associated benefits
 - Sickness Benefits
 - Emergency Benefit.

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

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

People aged 65 years or over and receiving New Zealand Superannuation or a Veteran's Pension were only income tested if a non-qualified spouse was included in their payment.

All Veteran's Pension recipients aged under 65 years were subject to an income test.

What about supplementary benefits?

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

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

Work testing

What is the work test?

Work-tested clients are required to:

- seek suitable paid work
- make themselves available to undertake suitable paid work.

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.

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

How do clients fulfil the work test?

Clients who do not have dependent children aged under six years may be required to register as job seekers.

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.

During the 2003/2004 financial year, work-tested clients had government expectations about meeting the work test made clearer.

Since 1 July 2001, all work-tested clients have been required to enter Job Seeker Agreements with Work and Income. The Job Seeker Agreement sets out the assistance that Work and Income will provide to assist the job seeker to obtain employment, and the steps that the job seeker will take to find employment or to improve their prospects for doing so. The Job Seeker Agreement must specify job search activities and may include employment or training programmes to be undertaken by the job seeker (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.

Work testing prior to September 2007

Between early 1997 and March 2003, the following main benefits were work-tested:

- Unemployment Benefits (for clients and any spouses or partners)
- other unemployment-associated benefits (for clients and any spouses or partners)
- Domestic Purposes Benefit – Sole Parent and Domestic Purposes Benefit – Women Alone (for clients)
- Sickness Benefits (for spouses or partners)
- Invalid's Benefit (for spouses or partners)
- Widow's Benefit (for clients).

From March 2003, Domestic Purposes Benefit – Sole Parent, Domestic Purposes Benefit – Women Alone and Widow's Benefit were no longer subject to a work test. Since that date, clients receiving one of these benefits have been obliged to meet the requirements of the Personal Development and Employment Plan process if required to by their case managers.

Other main benefits listed above continued to be work-tested as indicated.

The levels of work test applicable between early 1997 and September 2007 to each group of people are outlined in tables HW.1 and HW.2. During this period, groups not shown in these tables were not required to comply with any form of work test or planned process for return to work.

table HW.1: Work testing of Unemployment Benefits, other unemployment-associated benefits and Domestic Purposes Benefits, early 1997–September 2007

	Early 1997	October 1998	February 1999	March 2003	September 2007
Unemployment Benefits and other unemployment-associated benefits (client)	Full-time work test				
Unemployment Benefits and other unemployment-associated benefits (spouse or partner, no dependent children aged under 14 years)	Full-time work test				
Unemployment Benefits and other unemployment-associated benefits (spouse or partner, youngest dependent child aged 7–13 years)	Attend annual interview to plan entry to work (applicable if has received benefit for more than one year)		Part-time work test		
Unemployment Benefits and other unemployment-associated benefits (spouse or partner, youngest dependent child aged 6–7 years)					
Unemployment Benefits and unemployment-associated benefits (spouse or partner, youngest dependent child aged under 6 years)			Attend annual interview to plan entry to work, with entry to work to occur once the youngest child has reached six years of age		
Domestic Purposes Benefit – Sole Parent (no dependent child aged under 14 years)	Part-time work test		Full-time work test		Meet obligations of Personal Development and Employment Plan process if required by case manager

table continues next page...

	Early 1997	October 1998	February 1999	March 2003	September 2007
Domestic Purposes Benefit – Sole Parent (youngest dependent child aged 6–13 years)	None		Part-time work test	Meet obligations of Personal Development and Employment Plan process if required by case manager	
Domestic Purposes Benefit – Sole Parent (youngest dependent child aged under 6 years)	None		Attend annual interview to plan entry to work, with entry to work to occur once the youngest child has reached six years of age	Meet obligations of Personal Development and Employment Plan process if required by case manager	
Domestic Purposes Benefit – Women Alone	Part-time work test			Meet obligations of Personal Development and Employment Plan process if required by case manager	
Emergency Maintenance Allowance				Meet obligations of Personal Development and Employment Plan process if required by case manager	

table HW.2: Work testing of Sickness Benefits, Invalid's Benefit and Widow's Benefit, early 1997–September 2007

	Early 1997	October 1998	February 1999	March 2003	September 2007
Sickness Benefits (spouse or partner, no dependent child aged under 14 years)	None	Full-time work test			
Sickness Benefits (spouse or partner, youngest dependent child aged 6–13 years)	None	Part-time work test			
Sickness Benefits (spouse or partner, youngest dependent child aged under 6 years)	None	Attend annual interview to plan entry to work, with entry to work to occur once the youngest child has reached six years of age			
Invalid's Benefit (spouse or partner, no dependent child aged under 14 years)	None	Full-time work test			
Invalid's Benefit (spouse or partner, youngest dependent child aged 6–13 years)	None	Part-time work test			
Invalid's Benefit (spouse or partner, youngest dependent child aged under 6 years)	None	Attend annual interview to plan entry to work, with entry to work to occur once the youngest child has reached six years of age			

	Early 1997	October 1998	February 1999	March 2003	September 2007
Widow's Benefit (no dependent child aged under 14 years)	None		Full-time work test	Meet obligations of Personal Development and Employment Plan process if required by case manager	
Widow's Benefit (youngest dependent child aged 6–13 years)	None		Part-time work test	Meet obligations of Personal Development and Employment Plan process if required by case manager	
Widow's Benefit (youngest dependent child aged under 6 years)	None		Attend annual interview to plan entry to work, with entry to work to occur once the youngest child has reached six years of age	Meet obligations of Personal Development and Employment Plan process if required by case manager	

Personal Development and Employment Plan

In recent years, clients receiving a Widow's Benefit or some Domestic Purposes Benefits have been obliged to meet the requirements of the Personal Development and Employment Plan process if required to by their case managers.

The plan replaced work testing for recipients of these benefits from March 2003.

What was the Personal Development and Employment Plan?

The plan outlines steps to assist the client in moving toward employment, and therefore toward economic and social participation in society.

Which clients were required to have a plan?

Clients were subject to the requirements of the Personal Development and Employment Plan process if they were receiving:

- a Domestic Purposes Benefit – Sole Parent
- a Domestic Purposes Benefit – Women Alone, or
- a Widow's Benefit.

A case manager could, with the agreement of their manager, waive the requirement that a client participate in the Personal Development and Employment Plan process:

- permanently in some restricted circumstances (terminal illness, residing overseas)
- for up to three months after consideration of:
 - the ability of the client to co-operate in planning for their future
 - whether it was reasonable to expect the client to participate in the planning process at the time
 - the client's individual circumstances (eg bereavement, mental health issues, birth of a new baby, recent or difficult separation).

If a client was required to participate in the Personal Development and Employment Plan process but persistently refused to do so, they could be sanctioned by benefit reduction or suspension.

How did the planning process work?

The Personal Development and Employment Plan process involved the development and implementation of a plan. The planning process involved:

- assessing the client's circumstances, strengths and needs
- developing and implementing a plan based on that assessment.

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

- any features of individual circumstances or parenting responsibilities that affected (positively or negatively) their ability to obtain or retain employment
- any practical assistance that the client needed in order to support themselves through employment
- the client's skills and experience (including those developed through unpaid work) that were relevant to helping them find the most effective path to enable them to obtain employment.

What were the plans required to include?

The plans were required to:

- include any information and financial assistance to be provided by Work and Income
- consider the following aspects of the client's circumstances and needs:
 - financial
 - accommodation
 - health
 - employment
 - personal needs
 - education and training
 - social participation
- include action points, outlining activities the client will do to reach their goal.

What role did the client have in this process?

The client was expected to:

- contribute to the development of their Personal Development and Employment Plan
- contribute to an annual review of progress against their plan and to the amendment of their plan if changed circumstances required it
- demonstrate a commitment to fulfilling the goals of their plan.

Main benefits

Introduction to main benefits

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.

Transitional Retirement Benefit was also a main benefit until its phasing-out was completed on 1 April 2004.

Who are main benefits available to?

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

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

Eligibility criteria

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

Note – statistics concerning Independent Youth Benefit

Eligibility criteria mean that the use of Independent Youth Benefit by working-age clients is very limited. 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 that 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.

Most of the information on the use of Independent Youth Benefit is included in statistics on clients who are not of working age.

Payment rates

Table MP.1 shows rates for main benefits current from 1 April 2010. In this table:

- the rates shown are maximum rates
- 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.

How are benefit payment rates set?

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

table MP.1: Weekly payment rates for main benefits (payable from 1 April 2010)

Main benefit	Status ¹	Weekly payment rate ^{2,3}	
		Number of children	
		None	One or more
Unemployment Benefits	Married, each	\$161.76	\$161.76
	Single 25+	\$194.12	
	Single 18–24	\$161.76	
	Single 18–19 (living at home)	\$129.41	
	Sole parent		\$278.04
Independent Youth Benefit		\$161.76	
Sickness Benefits ⁴	Married, each	\$161.76	\$161.76
	Single 25+	\$194.12	
	Single 18–24	\$161.76	
	Single 18–19 (living at home)	\$129.41	
	Sole parent		\$278.04
Invalid's Benefit	Married, each	\$202.20	\$202.20
	Single 18+	\$242.63	
	Single 16–17	\$196.35	
	Sole parent		\$318.75

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Main benefit	Status ¹	Weekly payment rate ^{2,3}	
		Number of children	
		None	One or more
Domestic Purposes Benefits	Sole Parent		\$278.04
	Women Alone	\$202.20	
Domestic Purposes Benefit – Care of Sick or Infirm ⁵	Single 18+	\$242.63	
	Single 16–17	\$196.35	
	Sole parent		\$318.75
	Married, each	\$202.20	\$202.20
Emergency Maintenance Allowance	Age 16–17 (living at home)	\$129.41	\$129.41
	Age 16–17 (away from home)		\$278.04
	18 or over		\$278.04
Widow's Benefit		\$202.20	\$278.04

Notes

- 1 'Married' includes people who are married, living as married or in a civil union.
- 2 Rates shown are the net amount set by regulations and apply from 1 April 2010. Tax at the 'M' rate is calculated retrospectively and paid to Inland Revenue.
- 3 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 for 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 Since 1 April 2006, all clients receiving a Sickness Benefit have been paid at the same rate, regardless of when their benefit was granted. Prior to this date, there were some differences between rates for Sickness Benefits granted before 1 October 1998 and Sickness Benefits granted after that date.
- 5 Only the caregiver receives payment.

Overall trends

Trends in the number receiving main benefits

The number receiving a main benefit rose between July 2008 and June 2010

This increase (see table MB.1) largely reflected the impacts on unemployment of the economic recession in this period.

The number receiving a main benefit decreased between July 2006 and June 2008 (see table MB.1). This decrease reflected a combination of:

- improved economic conditions
- demographic changes
- policy changes
- operational changes.

These changes are discussed in the sections they are relevant to.

Most recipients of a main benefit were aged 25–54 years

Between 2006 and 2010 (see table MB.1):

- between 32% and 35% of working-age clients receiving a main benefit were aged 25–39 years
- another 31% were aged 40–54 years.

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

Age of client at the end of June	2006 Number	2007 Number	2008 Number	2009 Number	2010 Number
	Working-age clients receiving a main benefit ^{1,2}				
18–19 years	11,042	9,502	10,237	16,539	17,083
20–24 years	31,352	28,424	28,748	40,807	44,607
25–29 years	31,419	28,378	27,559	34,285	37,375
30–34 years	32,458	28,761	27,315	31,574	33,589
35–39 years	34,483	31,819	31,059	35,502	36,561
40–44 years	33,035	30,581	29,863	34,449	37,074
45–49 years	27,937	27,430	28,075	32,820	35,417
50–54 years	23,884	23,599	23,643	27,719	30,759
55–59 years	25,099	23,962	23,542	26,474	28,595
60–64 years	29,590	28,553	28,276	30,127	31,864
Total working-age clients	280,299	261,009	258,317	310,296	332,924
	Other clients receiving a main benefit ^{1,2}				
Total other clients	10,942	10,560	10,655	11,398	11,408
	All clients receiving a main benefit ^{1,2}				
Total	291,241	271,569	268,972	321,694	344,332

Notes

- 1 Number of clients recorded in SWIFTT as receiving a main benefit at the end of June.
- 2 Main benefits comprise Unemployment Benefit, Unemployment Benefit – Hardship, Unemployment Benefit – Training, Unemployment Benefit – Hardship – Training, Unemployment Benefit – Student – Hardship, Independent Youth Benefit, Domestic Purposes Benefit – Sole Parent, Domestic Purposes Benefit – Care of Sick or Infirm, Domestic Purposes Benefit – Women Alone, Sickness Benefit, Sickness Benefit – Hardship, Emergency Maintenance Allowance, Invalid's Benefit, Widow's Benefit and Emergency Benefit.

During the recession, benefit recipients became more likely to be receiving an Unemployment Benefit

In 2010, 19% of working-age recipients of a main benefit were receiving an Unemployment Benefit (see table MB.2). This was an increase from 7% in 2008.

This increase largely reflected the impacts of the economic recession on unemployment levels.

Between 2006 and 2008, this proportion fell from 14% to 7%. This change reflected in part the impacts on job opportunities of strong economic growth and a tight labour market.

Between 2006 and 2010, between 34% and 37% of recipients of a main benefit were receiving a Domestic Purposes Benefit.

Growth between 2008 and 2010 in the number receiving a main benefit was driven by increased use of Unemployment Benefits

Unemployment Benefits formed the largest part of the increase in main benefit numbers during this period (see table MB.2).

The number receiving Domestic Purposes Benefits and Invalid's Benefits grew more slowly than the number receiving Unemployment Benefits (see table MB.2).

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

Type of main benefit received at the end of June	Working-age clients receiving a main benefit ¹				
	2006 Number	2007 Number	2008 Number	2009 Number	2010 Number
Unemployment Benefits ²	39,752	23,159	17,710	50,855	62,085
Domestic Purposes Benefits ³	101,641	96,467	96,440	104,400	111,689
Sickness Benefits ⁴	47,072	48,063	46,271	54,352	58,465
Invalid's Benefit	75,349	77,301	82,879	84,544	85,382
Other main benefits ⁵	16,485	16,019	15,017	16,145	15,303
Total	280,299	261,009	258,317	310,296	332,924

Notes

- 1 Number of working-age clients recorded in SWIFTT as receiving a main benefit at the end of June.
- 2 Comprise Unemployment Benefit and Unemployment Benefit – Hardship.
- 3 Comprise Domestic Purposes Benefit – Sole Parent, Domestic Purposes Benefit – Care of Sick or Infirm, Domestic Purposes Benefit – Women Alone and Emergency Maintenance Allowance.
- 4 Comprise Sickness Benefit and Sickness Benefit – Hardship.
- 5 Comprise Unemployment Benefit – Training, Unemployment Benefit – Hardship – Training, Unemployment Benefit – Student – Hardship, Independent Youth Benefit, Widow's Benefit and Emergency Benefit.

Clients were more likely to have received their benefit for less than two years

In 2009 and 2010, 54% of clients receiving a main benefit had done so for less than two years (see table MB.3). This compared with 45% to 47% between 2006 and 2008.

The increase was the net result of the increased number of clients granted a main benefit between 2008 and 2010 and a smaller and slower increase in the number cancelling a main benefit.

table MB.3: Length of current spells receiving a main benefit, for working-age clients

Length of current spell at the end of June	Working-age clients receiving a main benefit ^{1,2}				
	2006 Number	2007 Number	2008 Number	2009 Number	2010 Number
Under 6 months	55,658	48,230	51,531	82,643	74,343
6 months–2 years	75,070	67,869	67,676	86,132	104,875
2–4 years	50,530	48,466	44,454	45,344	54,256
Over 4 years	99,041	96,444	94,656	96,177	99,450
Total	280,299	261,009	258,317	310,296	332,924

Notes

- 1 Number of working-age clients recorded in SWIFTT as receiving a main benefit at the end of June.
- 2 Main benefits comprise Unemployment Benefit, Unemployment Benefit – Hardship, Unemployment Benefit – Training, Unemployment Benefit – Hardship – Training, Unemployment Benefit – Student – Hardship, Independent Youth Benefit, Domestic Purposes Benefit – Sole Parent, Domestic Purposes Benefit – Care of Sick or Infirm, Domestic Purposes Benefit – Women Alone, Sickness Benefit, Sickness Benefit – Hardship, Emergency Maintenance Allowance, Invalid's Benefit, Widow's Benefit and Emergency Benefit.

Nearly half of working-age beneficiaries were New Zealand European and nearly one-third were Māori

During this period, 44% of working-age main benefit recipients identified as New Zealand European, while 31% identified as Māori (see table MB.4).

table MB.4: Ethnicity of working-age recipients of a main benefit

Recorded ethnicity at the end of June	Working-age clients receiving a main benefit ^{1,2}				
	2006 Number	2007 Number	2008 Number	2009 Number	2010 Number
Māori	87,003	81,189	81,268	97,814	106,764
Pacific peoples	20,853	19,476	19,719	25,259	27,757
Other ethnic groups	37,276	34,940	34,431	40,332	42,847
New Zealand European	130,259	120,390	117,485	139,144	147,077
Not coded	4,908	5,014	5,414	7,747	8,479
Total	280,299	261,009	258,317	310,296	332,924

Notes

- 1 Number of working-age clients recorded in SWIFTT as receiving a main benefit at the end of June.
- 2 Main benefits comprise Unemployment Benefit, Unemployment Benefit – Hardship, Unemployment Benefit – Training, Unemployment Benefit – Hardship – Training, Unemployment Benefit – Student – Hardship, Independent Youth Benefit, Domestic Purposes Benefit – Sole Parent, Domestic Purposes Benefit – Care of Sick or Infirm, Domestic Purposes Benefit – Women Alone, Sickness Benefit, Sickness Benefit – Hardship, Emergency Maintenance Allowance, Invalid's Benefit, Widow's Benefit and Emergency Benefit.

Trends in main benefits granted

The number of main benefits granted increased in recent years

The increase from 2007/2008 to 2009/2010 (see table MB.5) largely reflected the impacts of the economy moving into recession.

The number of main benefits granted decreased from 2005/2006 to 2007/2008 (see table MB.5). This decrease reflected a combination of:

- improved economic conditions
- demographic changes
- policy changes
- operational changes.

Clients granted a main benefit became increasingly likely to have not received a main benefit for at least four years

Thirty-six percent of clients granted these benefits in 2009/2010 had not received a main benefit in the previous four years (see table MB.5). This compared with 25% in 2007/2008.

This increase reflected in part the impacts of the economic recession on people who were previously independent of the benefit system.

table MB.5: Length of periods since clients granted a main benefit last received any main benefit

Period since client last received any main benefit	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number	2009/2010 Number
Grants of a main benefit to working-age clients^{1,2}					
None (clients transferring within the benefit system)	56,342	55,322	54,339	58,505	67,218
Under 6 months	37,451	34,586	31,985	35,209	41,720
6–12 months	28,103	23,856	22,639	24,341	25,622
12–18 months	10,682	8,873	9,316	11,504	9,055
18 months–2 years	8,281	7,049	6,840	9,549	7,455
2–4 years	15,960	14,580	13,861	21,000	19,320
Had not received a main benefit in previous 4 years	49,309	46,195	46,178	83,891	94,685
Total main benefits granted to working-age clients	206,128	190,461	185,158	243,999	265,075
Grants of main benefit to other clients^{1,2}					
Main benefits granted to other clients	8,111	7,291	7,662	8,119	7,769
Total grants of main benefit^{1,2}					
Total	214,239	197,752	192,820	252,118	272,844

Notes

- 1 Number of successful applications for a main benefit recorded in SWIFTT during years ended June.
- 2 Main benefits comprise Unemployment Benefit, Unemployment Benefit – Hardship, Unemployment Benefit – Training, Unemployment Benefit – Hardship – Training, Unemployment Benefit – Student – Hardship, Independent Youth Benefit, Domestic Purposes Benefit – Sole Parent, Domestic Purposes Benefit – Care of Sick or Infirm, Domestic Purposes Benefit – Women Alone, Sickness Benefit, Sickness Benefit – Hardship, Emergency Maintenance Allowance, Invalid's Benefit, Widow's Benefit and Emergency Benefit.

Unemployment Benefits formed an increasing proportion of the main benefits granted

Between 42% and 44% of main benefits granted in 2008/2009 and 2009/2010 were Unemployment Benefits (see table MB.6). This compared with 30% in 2007/2008.

This change reflected increases in unemployment as a result of the economic recession.

table MB.6: Types of main benefit granted to working-age clients

Type of main benefit granted	Grants of main benefit to working-age clients ¹				
	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number	2009/2010 Number
Unemployment Benefits ²	80,941	65,736	56,094	102,367	117,783
Domestic Purposes Benefits ³	34,142	33,471	36,494	41,811	40,616
Sickness Benefits ⁴	47,517	48,666	49,518	55,848	55,426
Invalid's Benefit	10,841	11,074	15,007	11,024	10,520
Other main benefits ⁵	32,687	31,514	28,045	32,949	40,730
Total	206,128	190,461	185,158	243,999	265,075

Notes

- 1 Number of successful applications from working-age clients for a main benefit recorded in SWIFTT during years ended June.
- 2 Comprise Unemployment Benefit and Unemployment Benefit – Hardship.
- 3 Comprise Domestic Purposes Benefit – Sole Parent, Domestic Purposes Benefit – Care of Sick or Infirm, Domestic Purposes Benefit – Women Alone and Emergency Maintenance Allowance.
- 4 Comprise Sickness Benefit and Sickness Benefit – Hardship.
- 5 Comprise Unemployment Benefit – Training, Unemployment Benefit – Hardship – Training, Unemployment Benefit – Student – Hardship, Independent Youth Benefit, Widow's Benefit and Emergency Benefit.

Trends in main benefits cancelled

The number of main benefits cancelled increased between 2008/2009 and 2009/2010

This increase (see table MB.7) reflected a combination of increasing numbers receiving a main benefit and increased work opportunities as the recession began to ease.

The number of main benefits cancelled was relatively stable in 2007/2008 and 2008/2009.

The combination between 2007/2008 and 2008/2009 of relatively stable cancellation numbers and rising main benefit numbers largely reflected the impacts of the recession on work opportunities. Policy and practice initiatives to maximise the movement of people into work despite the recession ensured that cancellation numbers did not reduce during the recession.

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 were Unemployment Benefits (see table MB.7). This compared with 35% in 2008/2009.

This change largely reflected changes in the number receiving different types of main benefit.

table MB.7: Types of main benefit cancelled

Type of main benefit cancelled	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number	2009/2010 Number
	Cancellations of a main benefit by working-age clients¹				
Unemployment Benefits ²	90,822	83,991	61,240	65,940	106,105
Domestic Purposes Benefits ³	38,698	39,273	36,873	34,566	34,110
Sickness Benefits ⁴	44,742	47,254	51,207	47,620	50,327
Invalid's Benefit	8,082	8,454	8,530	8,730	8,660
Other main benefits ⁵	32,044	32,130	29,780	32,636	42,507
Main benefits cancelled by working-age clients	214,388	211,102	187,630	189,492	241,709
	Cancellations of a main benefit by other clients¹				
Main benefits cancelled by other clients	8,685	8,326	7,441	7,259	7,405
	Cancellations of a main benefit by all clients¹				
Total	223,073	219,428	195,071	196,751	249,114

Notes

1 Number of cancellations of main benefits recorded in SWIFTT during years ended June.

2 Comprise Unemployment Benefits and Unemployment Benefit – Hardship.

3 Comprise Domestic Purposes Benefit – Sole Parent, Domestic Purposes Benefit – Care of Sick or Infirm, Domestic Purposes Benefit – Women Alone and Emergency Maintenance Allowance.

4 Comprise Sickness Benefit and Sickness Benefit – Hardship.

5 Comprise 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 were because the client was entering paid work (see table MB.8). This proportion was similar to that in 2007/2008, but slightly up on the 29% in 2008/2009.

table MB.8: Recorded reasons for working-age clients cancelling a main benefit

Reason for cancellation	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number	2009/2010 Number
Cancellations of a main benefit by working-age clients^{1,2}					
Obtained paid work	75,591	74,514	61,113	55,163	79,503
Other ³	138,797	136,588	126,517	134,329	162,206
Total cancelled by working-age clients	214,388	211,102	187,630	189,492	241,709

Notes

- 1 Number of cancellations of main benefits recorded in SWIFTT during years ended June.
- 2 Main benefits comprise Unemployment Benefit, Unemployment Benefit – Hardship, Unemployment Benefit – Training, Unemployment Benefit – Hardship – Training, Unemployment Benefit – Student – Hardship, Independent Youth Benefit, Domestic Purposes Benefit – Sole Parent, Domestic Purposes Benefit – Care of Sick or Infirm, Domestic Purposes Benefit – Women Alone, Sickness Benefit, Sickness Benefit – Hardship, Emergency Maintenance Allowance, Invalid's Benefit, Widow's Benefit and Emergency Benefit.
- 3 These cancellations occurred for administrative reasons (eg to test ongoing eligibility or 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.

Trends in transfers within the benefit system

The number of transfers increased between 2007/2008 and 2009/2010

This increase (see table MB.9) followed two years of decreases.

Most transfers reflected changes in client circumstances

Most transfers were to a form of assistance different from that which the client was receiving before the transfer (see table MB.9). These transfers reflected changes in client circumstances (eg improvements in health status that mean clients can 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.

table MB.9: Transfers within the benefit system by working-age clients

Type of transfer	Number of transfers from a main benefit by working-age clients ^{1,2}				
	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number	2009/2010 Number
Transferred to New Zealand Superannuation, a pension or another type of main benefit	50,770	49,535	48,445	51,776	59,239
Transferred within the same group of main Benefits ³	6,268	6,412	6,472	7,327	8,600
Total transfers	57,038	55,947	54,917	59,103	67,839

Notes

- 1 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.
- 2 Main benefits comprise Unemployment Benefit, Unemployment Benefit – Hardship, Unemployment Benefit – Training, Unemployment Benefit – Hardship – Training, Unemployment Benefit – Student – Hardship, Independent Youth Benefit, Domestic Purposes Benefit – Sole Parent, Domestic Purposes Benefit – Care of Sick or Infirm, Domestic Purposes Benefit – Women Alone, Sickness Benefit, Sickness Benefit – Hardship, Invalid's Benefit, Widow's Benefit and Emergency Benefit.
- 3 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 or age and the client transfers from an Emergency Maintenance Allowance to a Domestic Purposes Benefit) or may be recorded because the client's benefit was cancelled then resumed as part of reviewing the client's needs and entitlement to assistance.

Expenditure on main benefits by age, gender and ethnicity

Note – factors affecting the distribution of main benefit expenditure

The distribution among client groups of expenditure on main benefits reflected a range of factors, including:

- patterns in the uptake of main benefits
- the length of spells receiving a main benefit
- whether or not clients had dependent children.

Older clients accounted for nearly half of benefit expenditure

Clients aged 40–64 years accounted for between 47% and 49% of main benefit expenditure between 2005/2006 and 2009/10 (see table MB.10).

table MB.10: Distribution across age groups of expenditure on main benefits

Age of client when payment made	2005/2006	2006/2007	2007/2008	2008/2009	2009/2010
	Percentage of expenditure on main benefits paid to working-age clients ^{1,2,3}				
18–19 years	3.3%	3.2%	1.9%	0.9%	4.2%
20–24 years	10.6%	10.4%	9.5%	9.2%	12.4%
25–29 years	11.3%	11.1%	11.1%	11.0%	11.3%
30–39 years	24.4%	23.8%	23.8%	23.5%	21.8%
40–49 years	21.1%	21.5%	22.1%	22.6%	21.5%
50–59 years	16.3%	16.7%	16.9%	16.9%	16.5%
60–64 years	9.6%	9.7%	10.2%	10.0%	8.9%
Total working-age clients	96.6%	96.5%	95.5%	94.0%	96.8%
	Percentage of expenditure on main benefits paid to other clients ^{1,2,3}				
Total other clients	3.4%	3.5%	4.5%	6.0%	3.2%
	Percentage of expenditure on main benefits paid to all clients ^{1,2,3}				
Total all clients	100.0%	100.0%	100.0%	100.0%	100.0%

Notes

- 1 Percentage of expenditure on main benefits in years ended June. Owing to rounding, percentage figures may not add to the totals indicated.
- 2 Excludes tax paid on main benefits and excludes expenditure on supplementary benefits provided to clients receiving a main benefit.
- 3 Main benefits comprise Unemployment Benefit, Unemployment Benefit – Hardship, Unemployment Benefit – Training, Unemployment Benefit – Hardship – Training, Unemployment Benefit – Student – Hardship, Independent Youth Benefit, Domestic Purposes Benefit – Sole Parent, Domestic Purposes Benefit – Care of Sick or Infirm, Domestic Purposes Benefit – Women Alone, Sickness Benefit, Sickness Benefit – Hardship, Invalid's Benefit, Widow's Benefit and Emergency Benefit.

Women accounted for the majority of total main benefit expenditure in this period...

Women accounted for 65% of annual expenditure on main benefits between 2005/2006 and 2008/2009 (see table MB.11). This decreased slightly to 61% in 2009/2010.

This largely reflected the predominance of women among sole parents receiving a main benefit. Sole parents received a higher rate of benefit than other single clients or clients who had spouses or partners.

table MB.11: Distribution across gender groups of expenditure on main benefits

Gender of client	Percentage of expenditure on main benefits ^{1,2,3}				
	2005/2006	2006/2007	2007/2008	2008/2009	2009/2010
Female	64.9%	64.7%	65.2%	65.2%	60.9%
Male	35.1%	35.3%	34.8%	34.8%	39.1%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Notes

- 1 Percentage of expenditure on main benefits in years ended June. Owing to rounding, percentage figures may not add to the totals indicated.
- 2 Excludes tax paid on main benefits, and excludes expenditure on supplementary benefits provided to clients receiving a main benefit.
- 3 Main benefits comprise Unemployment Benefit, Unemployment Benefit – Hardship, Unemployment Benefit – Training, Unemployment Benefit – Hardship – Training, Unemployment Benefit – Student – Hardship, Independent Youth Benefit, Domestic Purposes Benefit – Sole Parent, Domestic Purposes Benefit – Care of Sick or Infirm, Domestic Purposes Benefit – Women Alone, Sickness Benefit, Sickness Benefit – Hardship, Invalid's Benefit, Widow's Benefit and Emergency Benefit.

... and Māori accounted for almost one-third

New Zealand Europeans accounted for between 43% and 45% of this expenditure, and Māori for around 31% (see table MB.12).

table MB.12: Distribution across ethnic groups of expenditure on main benefits

Gender of client	Percentage of expenditure on main benefits ^{1,2,3}				
	2005/2006	2006/2007	2007/2008	2008/2009	2009/2010
Māori	31.0%	31.0%	31.0%	31.1%	31.8%
Pacific peoples	7.9%	8.0%	8.0%	8.0%	8.6%
Other ethnic groups	15.1%	15.2%	15.4%	15.2%	14.7%
New Zealand European	44.7%	44.1%	44.1%	44.3%	42.7%
Unspecified	1.4%	1.6%	1.5%	1.4%	2.1%
Total¹	100.0%	100.0%	100.0%	100.0%	100.0%

Notes

- 1 Percentage of expenditure on main benefits in years ended June. Owing to rounding, percentage figures may not add to the totals indicated.
- 2 Excludes tax paid on main benefits, and excludes expenditure on supplementary benefits provided to clients receiving a main benefit.
- 3 Main benefits comprise Unemployment Benefit, Unemployment Benefit – Hardship, Unemployment Benefit – Training, Unemployment Benefit – Hardship – Training, Unemployment Benefit – Student – Hardship, Independent Youth Benefit, Domestic Purposes Benefit – Sole Parent, Domestic Purposes Benefit – Care of Sick or Infirm, Domestic Purposes Benefit – Women Alone, Sickness Benefit, Sickness Benefit – Hardship, Invalid's Benefit, Widow's Benefit and Emergency Benefit.

Dependent children

Children are recorded as living with Work and Income clients when the children are dependent on the clients. For a child to be recorded by Work and Income as dependent on a benefit recipient, the child must be:

- aged under 18 years or, if age 18, studying full time
- living with a disability or health issue, or
- covered by Working for Families Tax Credits received by the client.

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.

Trends in the number of dependent children

The number of children dependent on beneficiaries increased between 2008 and 2010

This increase (see table DB.1) reflected increases in the number receiving a main benefit.

The number of children dependent on recipients of a main benefit decreased between 2006 and 2008.

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

Most children dependent on beneficiaries were aged under 14 years

Eighty-two percent of the children dependent on working-age benefit recipients in this period were aged under 14 years (see table DB.1). This included around 32% who were aged under five years.

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

Age of child at the end of June	2006 Number	2007 Number	2008 Number	2009 Number	2010 Number
	Children dependent on working-age recipients of a main benefit ^{1,2}				
0–4 years	66,478	63,122	63,947	72,693	78,264
5–9 years	65,579	59,808	57,585	62,512	65,079
10–13 years	48,018	43,777	42,343	45,514	47,578
14–17 years	39,522	36,914	35,233	38,908	41,286
18–19 years	1,747	1,703	1,570	1,678	2,146
Total children dependent on working-age clients	221,344	205,324	200,678	221,305	234,353
	Children dependent on other recipients of a main benefit ^{1,2}				
Total children dependent on other clients	1,171	1,070	1,081	1,161	1,054
	All children dependent on recipients of a main benefit ^{1,2}				
Total	222,515	206,394	201,759	222,466	235,407

Notes

- 1 Number of children dependent on carers who were recorded in SWIFTT as receiving a main benefit at the end of June.
- 2 Main benefits comprise Unemployment Benefit, Unemployment Benefit – Hardship, Unemployment Benefit – Training, Unemployment Benefit – Hardship – Training, Unemployment Benefit – Student – Hardship, Independent Youth Benefit, Domestic Purposes Benefit – Sole Parent, Domestic Purposes Benefit – Care of Sick or Infirm, Domestic Purposes Benefit – Women Alone, Sickness Benefit, Sickness Benefit – Hardship, Invalid's Benefit, Widow's Benefit and Emergency Benefit.

Trends in the proportion of children dependent on benefit recipients

The proportion of children aged under 18 years who were dependent on recipients of a main benefit increased between 2008 and 2010

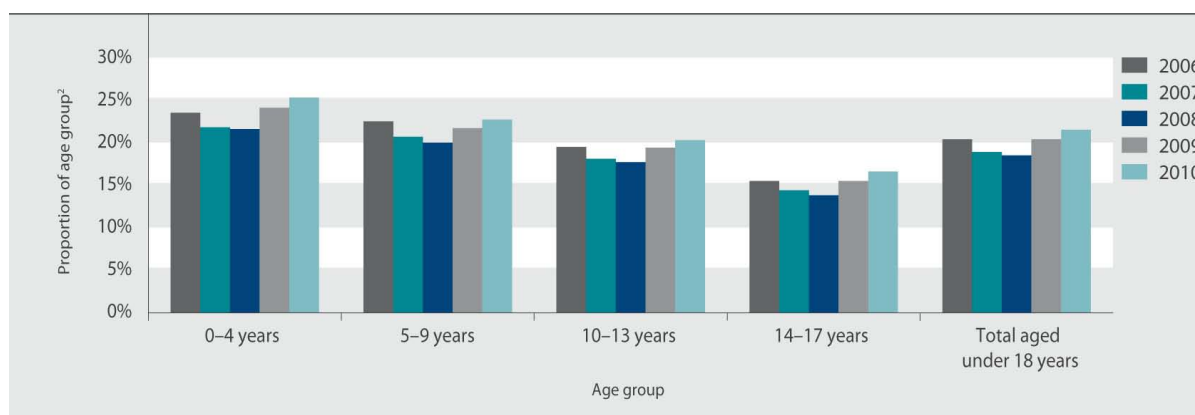
This increase (see figure DB.1) reflected changes in the number of people receiving a main benefit.

The proportion of children aged under 18 years who were dependent on recipients of a main benefit decreased between 2006 and 2008.

The likelihood of being dependent on a benefit recipient diminished as the age of children increased

This pattern persisted despite the impacts of recession in 2009 and 2010 (see figure DB.1).

figure DB.1: Proportions of children aged under 18 years dependent on recipients of a main benefit¹, by age



Notes:

- 1 Main benefits comprise Unemployment Benefit, Unemployment Benefit – Hardship, Unemployment Benefit – Training, Unemployment Benefit – Hardship – Training, Unemployment Benefit – Student – Hardship, Independent Youth Benefit, Domestic Purposes Benefit – Sole Parent, Domestic Purposes Benefit – Care of Sick or Infirm, Domestic Purposes Benefit – Women Alone, Sickness Benefit, Sickness Benefit – Hardship, Invalid's Benefit, Widow's Benefit and Emergency Benefit.
- 2 Proportion shows:
 - a. number of children in each age group identified as dependent on people recorded in SWIFTT as receiving a main benefit at the end of June, divided by
 - b. Statistics New Zealand's final estimate of the resident population in each age group at the end of June.

See table PP.2 for a summary of the data underlying figure DB.1.

Benefit recipients declaring other income

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 'Other income declared by recipients of a main benefit'.

Trends in the number of recipients of a main benefit who declare other income

The number of main benefit recipients declaring other income increased between 2008 and 2010

This increase (see table OB.1) reflected in large part changes in the number receiving a main benefit.

The number of recipients of a main benefit who declared other income decreased between 2006 and 2008 (see table OB.1). This reflected decreases in the number receiving a main benefit.

Benefit recipients became slightly less likely to be receiving other income

Between 2006 and 2010, the proportion of working-age recipients of main benefits declaring other income decreased slightly (from 21% to 16%). During this period, around 64% of those clients declared income of over \$80 per week before tax.

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

Level of other income declared ¹	2006 Number	2007 Number	2008 Number	2009 Number	2010 Number
	Working-age recipients of a main benefit ^{2,3}				
Total working-age clients not declaring income	221,793	207,365	208,380	257,334	278,079
Income declared⁴					
\$1.00–\$39.99	10,632	9,565	8,813	9,347	9,784
\$40.00–\$79.99	10,255	9,451	8,588	9,102	9,545
\$80.00–\$119.99	12,548	11,233	9,894	10,086	10,093
\$120.00–\$159.99	6,947	6,195	5,863	6,387	6,378
\$160.00–\$179.99	2,714	2,575	2,245	2,310	2,426
\$180.00–\$199.99	2,610	2,548	2,580	2,624	2,618
\$200.00 or over	12,800	12,077	11,954	13,106	14,001
Total working-age clients declaring income⁴	58,506	53,644	49,937	52,962	54,845
Total working-age recipients	280,299	261,009	258,317	310,296	332,924
	Other recipients of a main benefit ^{2,3}				
Other clients declaring income⁴	1,391	1,436	1,555	1,686	1,727
Other clients not declaring income	9,551	9,124	9,100	9,712	9,681
Total other recipients of a main benefit	10,942	10,560	10,655	11,398	11,408
	All recipients of a main benefit ^{2,3}				
Total clients declaring income⁴	59,897	55,080	51,492	54,648	56,572
Total clients not declaring income	231,344	216,489	217,480	267,046	287,760
Total clients receiving a main benefit	291,241	271,569	268,972	321,694	344,332

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 Number of clients recorded in SWIFTT as receiving a main benefit at the end of June.
- 3 Main benefits comprise Unemployment Benefit, Unemployment Benefit – Hardship, Unemployment Benefit – Training, Unemployment Benefit – Hardship – Training, Unemployment Benefit – Student – Hardship, Independent Youth Benefit, Domestic Purposes Benefit – Sole Parent, Domestic Purposes Benefit – Care of Sick or Infirm, Domestic Purposes Benefit – Women Alone, Sickness Benefit, Sickness Benefit – Hardship, Invalid's Benefit, Widow's Benefit and Emergency Benefit.
- 4 Number of recipients of a main benefit with one or more income declarations effective in the year ended June.

Between 2008 and 2010, benefit recipients declaring other income became more likely to be receiving an Unemployment Benefit

During this period, the proportion of beneficiaries declaring other income who were receiving an Unemployment Benefit increased (from 6% to 15%) (see table OB.2).

There were corresponding decreases in the proportion receiving:

- a Domestic Purposes Benefit (from 41% to 37%)
- an Invalid's Benefit (from 33% to 30%).

The proportion of beneficiaries declaring other income who were receiving an Unemployment Benefit decreased between 2006 and 2008 (see table OB.2).

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

table OB.2: Types of main benefit received by working-age clients declaring other income

Type of main benefit received when income declared ¹	Working-age recipients of a main benefit who declared other income ²				
	2006 Number	2007 Number	2008 Number	2009 Number	2010 Number
Unemployment Benefits ³	7,193	4,414	2,766	6,287	8,049
Domestic Purposes Benefits ⁴	23,753	21,790	20,235	19,898	20,394
Sickness Benefits ⁵	6,550	6,598	5,925	6,412	6,841
Invalid's Benefit	16,784	16,935	17,657	17,058	16,381
Other main benefits ⁶	4,226	3,907	3,354	3,307	3,180
Total	58,506	53,644	49,937	52,962	54,845

Notes

- 1 Type of main benefit received at the time when the last income declaration effective in the year ended June was made.
- 2 Number of working-age recipients of a main benefit with one or more income declarations effective in the years 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.
- 3 Comprise Unemployment Benefit and Unemployment Benefit – Hardship.
- 4 Comprise Domestic Purposes Benefit – Sole Parent, Domestic Purposes Benefit – Care of Sick or Infirm, Domestic Purposes Benefit – Women Alone and Emergency Maintenance Allowance.
- 5 Comprise Sickness Benefit and Sickness Benefit – Hardship.
- 6 Comprise Unemployment Benefit – Training, Unemployment Benefit – Hardship – Training, Unemployment Benefit – Student – Hardship, Independent Youth Benefit, Widow's Benefit and Emergency Benefit.

Unemployment Benefits

Which benefits are these?

This group of main benefits comprises:

- Unemployment Benefit
- Unemployment Benefit – Hardship.

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 pre-benefit requirements before receiving a benefit. Pre-benefit requirements may include such activities as attending pre-benefit seminars or applying for jobs.

Work tests

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 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 was subject to:

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

If a couple's youngest dependent child was aged under six years, the spouse or partner was obliged to engage with the Personal Development and Employment planning process if required.

For details of work testing of spouses and partners prior to September 2007, see 'Work testing prior to September 2007'.

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.

Trends in the number of clients receiving an Unemployment Benefit

The number receiving an Unemployment Benefit increased steeply between 2008 and 2010

This increase (see table UB.1):

- slowed between 2009 and 2010
- largely reflected changed economic conditions.

The number of clients receiving an Unemployment Benefit decreased between 2006 and 2008.

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

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 Veteran's Pension.

Clients receiving an Unemployment Benefit became more likely to be young people

Thirty-one percent of working-age recipients of an Unemployment Benefit in 2010 were aged 18–24 years (see table UB.1). This compared with 21% in 2008.

During the same period, the proportion of these clients who were aged 55–64 decreased (from 20% to 11%) (see table UB.1).

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

Age of client at the end of June	2006 Number	2007 Number	2008 Number	2009 Number	2010 Number
Working-age clients receiving an Unemployment Benefit^{1,2}					
18–19 years	2,774	990	960	6,049	6,742
20–24 years	6,160	3,174	2,679	10,656	12,282
25–29 years	5,054	2,815	2,267	6,981	8,508
30–34 years	4,168	2,470	1,917	5,002	6,067
35–39 years	3,686	2,312	1,773	4,707	5,802
40–44 years	3,332	2,075	1,666	4,476	5,692
45–49 years	3,057	1,950	1,675	4,317	5,624
50–54 years	2,555	1,600	1,305	3,425	4,581
55–59 years	2,570	1,502	1,123	2,544	3,633
60–64 years	6,396	4,271	2,345	2,698	3,154
Total working-age clients	39,752	23,159	17,710	50,855	62,085
Other clients receiving an Unemployment Benefit^{1,2}					
Total other clients	314	228	161	181	175
All clients receiving an Unemployment Benefit^{1,2}					
Total	40,066	23,387	17,871	51,036	62,260

Notes

1 Comprises Unemployment Benefit and Unemployment Benefit – Hardship.

2 Number of clients recorded in SWIFTT as receiving an Unemployment Benefit at the end of June.

Nearly one in two Unemployment Benefit recipients had received their benefit for between six months and two years

Forty-six percent of recipients in 2010 had received their benefit for between six months and two years (see table UB.2). This compared with 24% in 2009.

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

table UB.2: Length of current spells on benefit for working-age clients receiving an Unemployment Benefit

Length of current spell to the end of June	Working-age clients receiving an Unemployment Benefit ^{1,2}				
	2006 Number	2007 Number	2008 Number	2009 Number	2010 Number
Under 6 months	17,042	9,601	9,483	35,808	29,957
6 months–2 years	13,591	7,490	4,613	12,319	28,741
2–4 years	3,937	2,937	1,850	1,510	2,275
Over 4 years	5,182	3,131	1,764	1,218	1,112
Total	39,752	23,159	17,710	50,855	62,085

Notes

1 Unemployment Benefits comprise Unemployment Benefit and Unemployment Benefit – Hardship.

2 Number of working-age clients recorded in SWIFTT as receiving an Unemployment Benefit at the end of June.

Trends in the proportion of working-age people receiving an Unemployment Benefit

The proportion of working-age New Zealanders receiving an Unemployment Benefit increased between 2008 and 2010

This increase (see figure UB.1) largely reflected growth in the number receiving an Unemployment Benefit as a result of the recession.

The proportion of working-age New Zealanders receiving an Unemployment Benefit decreased between 2005/2006 and 2007/2008 (see figure UB.1). This reflected the economic, policy and operational factors outlined earlier.

Young people and people nearing retirement were most likely to be receiving an Unemployment Benefit

During this period, 18–24 year olds and 60–64 year olds were more likely than other age groups to be receiving an Unemployment Benefit (see figure UB.1).

This reflected, in part, the relative difficulty encountered by:

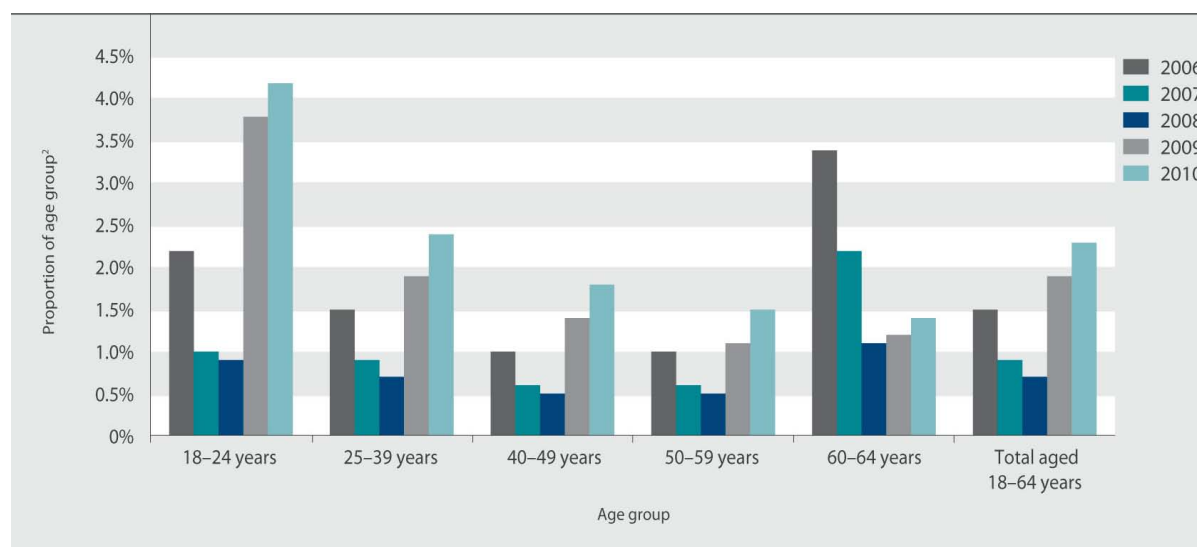
- 18–24 year olds in making an initial transition into the labour market
- 60–64 year olds in obtaining and retaining paid work.

Young people (18–24 year olds) showed the steepest increase between 2008 and 2010 in use of Unemployment Benefits (see figure UB.1). Many of this group were entering the workforce for the first time after finishing their education. They were consequently particularly vulnerable to unemployment during the economic downturn.

Young people (18–24 year olds) and 60–64 year olds also experienced the steepest falls between 2005 and 2008 in the proportion receiving an Unemployment Benefit (see figure UB.1). This reflected:

- a focus by Work and Income on placing young people into work
- more cancellations of these benefits by 60–64 year olds than there were benefits granted to them.

figure UB.1: Percentages of working-age people receiving an Unemployment Benefit¹, by age



Notes

- 1 Unemployment Benefits comprise Unemployment Benefit and Unemployment Benefit – Hardship.
- 2 Proportion shows:
 - a. number in each age group who are recorded in SWIFTT as receiving an Unemployment Benefit at the end of June, divided by
 - b. Statistics New Zealand's final estimate of the resident population in each age group at the end of June.

See table PP.3 for a summary of the data underlying figure UB.1.

For more information on the number receiving an Unemployment Benefit, see table OT.2

This table shows trends since 1940 in the use of Unemployment Benefits.

Trends in Unemployment Benefits granted

The number of Unemployment Benefits granted increased between 2007/2008 and 2009/2010

This increase (see table UB.3):

- slowed in 2009/2010
- largely reflected changes in economic conditions.

The number of Unemployment Benefits granted decreased between 2005/2006 and 2007/2008 (see table UB.3).

A small number of Unemployment Benefits were granted to non-working-age clients (see table UB.3). Most of those benefits were granted to 16–17 year olds who were supporting dependants.

Clients granted an Unemployment Benefit became more likely to have not received a main benefit in the previous four years

Forty-one percent of working-age clients granted an Unemployment Benefits in 2008/2009 and 2009/2010 had not received a main benefit in the previous four years (see table UB.3). This compared with 25% in 2007/2008.

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

table UB.3: Length of periods since clients granted an Unemployment Benefit last received any main benefit

Period since client last received any main benefit	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number	2009/2010 Number
	Unemployment Benefits granted to working-age clients ^{1,2}				
None (clients transferring within the benefit system) ³	16,316	13,814	12,050	16,794	23,749
Under 6 months	17,433	14,493	11,440	14,779	20,087
6–12 months	11,943	9,218	8,106	9,768	10,523
12–18 months	4,813	3,575	3,347	5,095	3,907
18 months–2 years	3,733	2,750	2,347	4,263	2,988
2–4 years	6,882	5,615	4,614	9,744	8,435
Had not received a main benefit in previous 4 years	19,821	16,271	14,190	41,924	48,094
Total granted to working-age clients	80,941	65,736	56,094	102,367	117,783
	Unemployment Benefits granted to other clients ^{1,2}				
Total granted to other clients	116	99	93	108	129
	Total Unemployment Benefits granted ^{1,2}				
Total	81,057	65,835	56,187	102,475	117,912

Notes

- 1 Unemployment Benefits comprise Unemployment Benefit and Unemployment Benefit – Hardship.
- 2 Numbers of successful applications for Unemployment Benefits recorded in SWIFTT during years ended June.
- 3 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).

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

Forty-five percent of working-age clients granted an Unemployment Benefit in 2009/2010 were aged 18–24 years (see table UB.4). This compared with 40% in 2007/2008.

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

table UB.4: Ages of clients granted an Unemployment Benefit

Age when Unemployment Benefit granted	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number	2009/2010 Number
	Unemployment Benefits granted to working-age clients ^{1,2}				
18–19 years	14,436	11,634	9,372	18,289	23,006
20–24 years	19,168	15,545	12,925	24,137	29,470
25–29 years	11,687	9,401	7,969	14,111	15,641
30–34 years	8,672	6,776	5,830	9,734	10,459
35–39 years	6,947	5,897	5,186	8,913	9,207
40–44 years	6,129	5,212	4,504	8,012	8,667
45–49 years	4,946	4,196	4,046	7,202	7,869
50–54 years	3,787	3,109	2,841	5,432	6,135
55–59 years	2,844	2,184	2,039	3,875	4,393
60–64 years	2,325	1,782	1,382	2,662	2,936
Total granted to working-age clients	80,941	65,736	56,094	102,367	117,783
	Unemployment Benefits granted to other clients ^{1,2}				
Total granted to other clients	116	99	93	108	129
	Total Unemployment Benefits granted ^{1,2}				
Total	81,057	65,835	56,187	102,475	117,912

Notes

1 Unemployment Benefits comprise Unemployment Benefit and Unemployment Benefit – Hardship.

2 Number of successful applications for Unemployment Benefits recorded in SWIFTT during years ended June.

Trends in cancellations of Unemployment Benefits

The number of Unemployment Benefits cancelled increased between 2007/2008 and 2009/2010

This increase (see table UB.5):

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

The number of Unemployment Benefits cancelled decreased between 2005/2006 and 2007/2008 (see table UB.5). This also reflected changes in the number receiving an Unemployment Benefit.

A small number of these cancellations were by non-working-age clients (see table UB.5). Most were the result of people reaching 65 years of age and transferring to New Zealand Superannuation or a Veteran's Pension.

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

Forty-five percent of the working-age clients cancelling an Unemployment Benefit in 2009/2010 were aged 18–24 years (see table UB.5). 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.5: Ages of clients cancelling an Unemployment Benefit

Age when Unemployment Benefit cancelled	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number	2009/2010 Number
	Cancellations of Unemployment Benefits by working-age clients ^{1,2}				
18–19 years	13,287	12,329	8,585	10,753	18,048
20–24 years	22,300	19,664	13,604	15,808	29,687
25–29 years	13,077	12,217	8,622	9,398	14,832
30–34 years	9,626	8,854	6,506	6,583	9,694
35–39 years	7,860	7,622	5,774	5,826	8,188
40–44 years	6,919	6,607	4,931	5,087	7,533
45–49 years	5,669	5,556	4,392	4,494	6,646
50–54 years	4,394	4,219	3,236	3,304	5,177
55–59 years	3,525	3,189	2,434	2,432	3,525
60–64 years	4,165	3,734	3,156	2,255	2,775
Total Unemployment Benefits cancelled by working-age clients	90,822	83,991	61,240	65,940	106,105
	Cancellations of Unemployment Benefits by other clients ^{1,2}				
Total Unemployment Benefits cancelled by other clients	1,279	957	677	454	423
	Cancellations of Unemployment Benefits by all clients ^{1,2}				
Total Unemployment Benefits cancelled by all clients	92,101	84,948	61,917	66,394	106,528

Notes

1 Unemployment Benefits comprise Unemployment Benefit and Unemployment Benefit – Hardship.

2 Number of cancellations of Unemployment Benefits recorded in SWIFTT during years ended June.

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

Fifty percent of the working-age clients cancelling an Unemployment Benefit in 2009/2010 entered paid work (see table UB.6). This compared with 43% in 2008/2009, and reflected a return to levels seen prior to the economic recession.

This reflected a combination of:

- impacts on job opportunities of changes in economic conditions between 2007/2008 and 2009/2010
- policy and practice initiatives to place as many clients as possible despite the recession
- increased numbers of recipients of Unemployment Benefits.

table UB.6: Recorded reasons for working-age clients cancelling an Unemployment Benefit

Reason for cancellation	Cancellations of Unemployment Benefits by working-age clients ^{1,2}				
	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number	2009/2010 Number
Obtained paid work	45,691	40,101	28,043	28,417	53,024
Other ³	45,131	43,890	33,197	37,523	53,081
Total cancelled by working-age clients	90,822	83,991	61,240	65,940	106,105

Notes

- 1 Unemployment Benefits comprise Unemployment Benefit and Unemployment Benefit – Hardship.
- 2 Number of cancellations of Unemployment Benefits recorded in SWIFTT during years ended June.
- 3 These cancellations occurred for administrative reasons (eg to test ongoing eligibility or 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.

Trends in the number of transfers from Unemployment Benefits

The number of transfers from Unemployment Benefits increased between 2007/2008 and 2009/2010

This increase (see table UB.7) reflected increases in the number receiving Unemployment Benefits.

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

These transfers (see table UB.7) usually reflected clients transferring to an Unemployment Benefit – Training or an Unemployment Benefit – Hardship – Training while they undertook work-related training.

Fifteen percent of transfers from Unemployment Benefits in 2009/2010 were to another Unemployment Benefit (see table UB.7). This compared with 9% 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.7: Transfers from Unemployment Benefits by working-age clients

Type of transfer	Number of clients transferring from Unemployment Benefits ^{1,2}				
	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number	2009/2010 Number
Transferred to New Zealand Superannuation, pension or another type of main benefit	20,075	20,468	17,448	19,120	21,017
Transferred within the group of Unemployment Benefits ³	1,920	1,721	1,503	2,067	3,686
Total transfers	21,995	22,189	18,951	21,187	24,703

Notes

- 1 Unemployment Benefits comprise Unemployment Benefit and Unemployment Benefit – Hardship.
- 2 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.
- 3 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.

Trends in expenditure on Unemployment Benefits, other unemployment-associated benefits and Emergency Benefits

Expenditure on these benefits increased between 2007/2008 and 2009/2010

This increase (see table UB.8) reflected:

- an increased number receiving Unemployment Benefits as a result of the recession
- an associated increase in the use of Accommodation Supplement.

Expenditure on these benefits decreased between 2005/2006 and 2007/2008 (see table UB.8). This reflected a reduced use of these benefits associated with:

- strong economic growth
- the impacts of policy and practice initiatives aimed at moving benefit recipients into work.

table UB.8: Annual expenditure on Unemployment Benefits, other unemployment-associated benefits and Emergency Benefit¹

Year ended June	Expenditure on Unemployment Benefits, other unemployment-associated benefits, and Emergency Benefit^{2,3,4} (\$m)
2005/2006	819
2006/2007	703
2007/2008	532
2008/2009	661
2009/2010	1,106

Notes

- 1 Unemployment Benefits comprise Unemployment Benefit and Unemployment Benefit – Hardship. Other unemployment-associated benefits comprise Unemployment Benefit – Training, Unemployment Benefit – Hardship – Training, Unemployment Benefit – Student – Hardship, and Independent Youth Benefit.
- 2 Expenditure on Unemployment Benefits, other unemployment-associated benefits and Emergency Benefit in years ended June. Expenditure shown includes supplementary benefits provided to recipients of these benefits.
- 3 Expenditure shown is net of taxation, adjusted to payment periods based on a standard 30-day month and smoothed using a three-month moving average.
- 4 Expenditure data in this table differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

Expenditure on Unemployment Benefits, other unemployment-associated benefits and Emergency Benefit showed seasonal variations between 2005/2006 and 2009/2010

The monthly expenditure on these benefits showed:

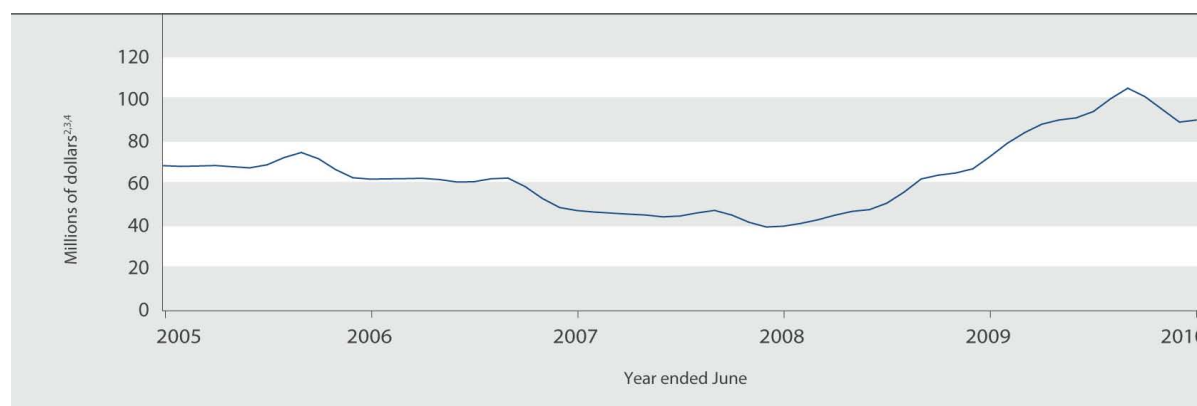
- significant seasonal increases during the summer months
- weaker seasonal increases during winter (see figure UB.2).

These patterns reflected seasonal increases in demand for these benefits from:

- students seeking work during study breaks or after completing their studies
- workers with seasonal jobs who faced a lack of work in the off-season. Most of these workers were in:
 - the agricultural/horticultural sector, or
 - the primary processing sector (eg meatworks).

In 2008/2009, the usual seasonal pattern was dominated by an increase in the number receiving an Unemployment Benefit resulting from the economic recession. The seasonal pattern was evident again in 2009/2010, as growth in the number receiving an Unemployment Benefit slowed (see figure UB.2).

figure UB.2: Monthly expenditure on Unemployment Benefits, other unemployment-associated benefits and Emergency Benefit¹



Notes

1. Unemployment Benefits comprise Unemployment Benefit and Unemployment Benefit – Hardship. Other unemployment-associated benefits comprise Unemployment Benefit – Training, Unemployment Benefit – Hardship – Training, Unemployment Benefit – Student – Hardship, and Independent Youth Benefit.
2. Monthly expenditure on Unemployment Benefits, other unemployment-associated benefits and Emergency Benefit. Expenditure shown includes supplementary benefits paid to recipients of Unemployment Benefits, other unemployment-associated benefits or Emergency Benefit.
3. Expenditure shown is net of taxation, adjusted to payment periods based on a standard 30-day month and smoothed using a three-month moving average.
4. Expenditure data in this graph differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

For more information about expenditure on Unemployment Benefits, other unemployment-associated benefits and Emergency Benefit, see table OT.5

This table shows trends since 1940 in combined expenditure on Unemployment Benefits, other unemployment-associated benefits and Emergency Benefit.

Other unemployment-associated benefits

Which benefits are these?

This group of main benefits comprises:

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

Income and residency tests apply.

Unemployment Benefit – Hardship – Training

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, asset and residency tests

Income, asset and residency 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 and asset tests

Income and asset tests apply.

Independent Youth Benefit

Who is it available to?

The Independent Youth Benefit is available to 16- and 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, the 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, asset and residency testing

Income, asset and residency tests apply.

Trends in the number of clients receiving an other unemployment-associated benefit

The number receiving an other unemployment-associated benefit decreased between 2009 and 2010

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

The number of clients receiving an other unemployment-associated benefit increased between 2006 and 2009.

Between 94% and 98% of working-age clients receiving these benefits were receiving a training-related benefit (Unemployment Benefit – Training or Unemployment Benefit – Hardship – Training). The remainder were receiving Unemployment Benefit – Hardship – Students or an Independent Youth Benefit.

For more information, see 'Overall trends in use of financial assistance and employment services'.

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 may also receive 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.

table OU.1: Ages of clients receiving an other unemployment-associated benefit

Age of client at the end of June	2006 Number	2007 Number	2008 Number	2009 Number	2010 Number
	Clients receiving an other unemployment-associated benefit ^{1,2}				
Total working-age clients	5,746	6,329	6,575	7,606	6,845
Total other clients	1,616	1,209	1,204	1,723	1,667
Total	7,362	7,538	7,779	9,329	8,512

Notes

1 Number of clients recorded in SWIFTT as receiving an other unemployment-associated benefit at the end of June.

2 Comprise Unemployment Benefit – Training, Unemployment Benefit – Hardship – Training, Unemployment Benefit – Student – Hardship and Independent Youth Benefit.

Trends in the proportion of working-age people receiving an other unemployment-associated benefit

The proportion of working-age New Zealanders receiving an other unemployment-associated benefit fluctuated between 2008 and 2010

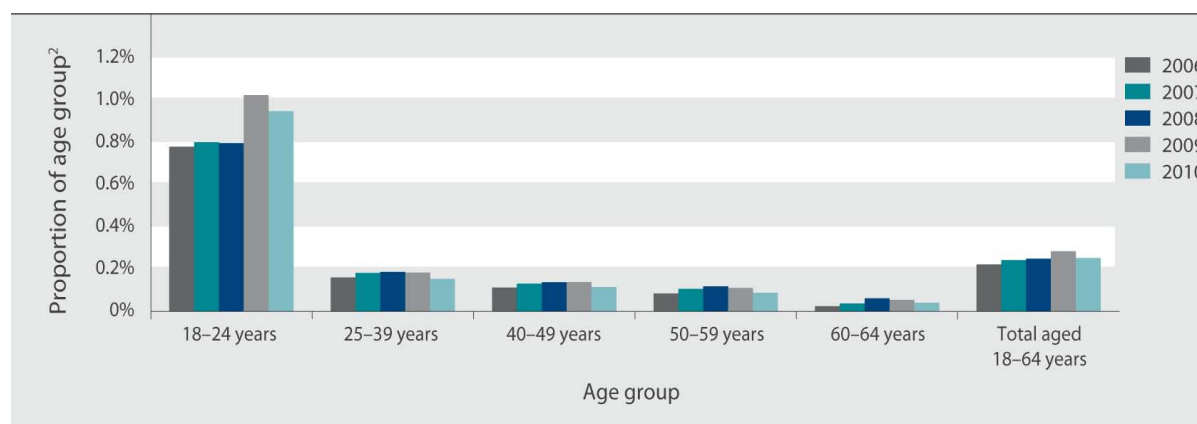
This (see figure OU.1) reflected a combination of:

- patterns during the recession in number on a main benefit
- the increased focus of Work and Income on moving clients into work, as work opportunities began to increase.

Young people were most likely to be receiving an other unemployment-associated benefit

During this period, 18–24 year olds were more likely than other age groups to be receiving one of these benefits (see figure OU.1). This largely reflected the predominance of young people among those undertaking work-related training supported by one of these benefits.

figure OU.1: Proportions of working-age people receiving an other unemployment-associated benefit¹, by age



Notes

- 1 Other unemployment-associated benefits comprise Unemployment Benefit – Training, Unemployment Benefit – Hardship – Training, Unemployment Benefit – Student – Hardship and Independent Youth Benefit.
- 2 Proportion shows:
 - a. number in each age group who are recorded in SWIFTT as receiving an other unemployment-associated benefit at the end of June, divided by
 - b. Statistics New Zealand's final estimate of the resident population in each age group at the end of June.

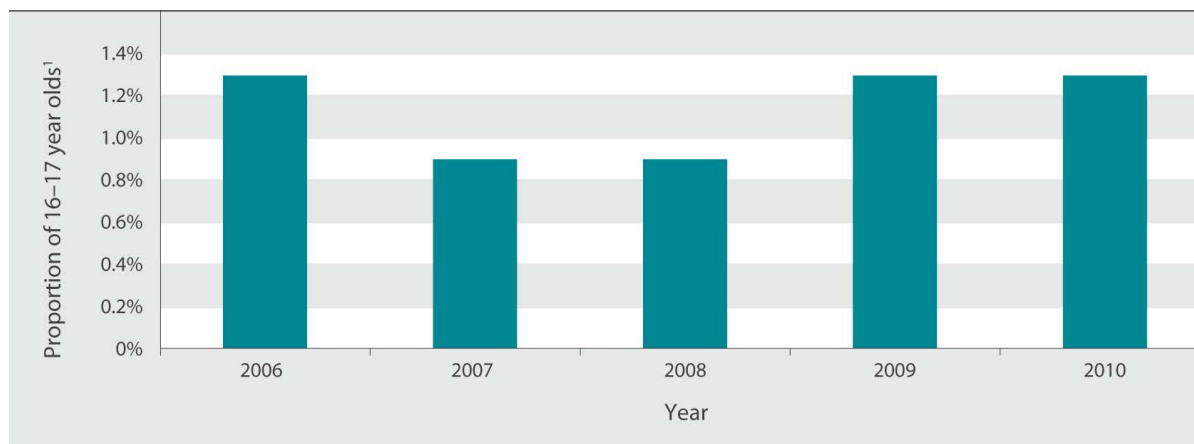
See table PP.4 for a summary of the data underlying figure OU.1.

The proportion of 16–17 year olds receiving an Independent Youth Benefit was relatively unchanged between 2009 and 2010

This pattern (see figure OU.2) followed an increase between 2008 and 2009. This increase reflected a combination of:

- an increase in the number of 16–17 year olds receiving an Independent Youth Benefit
- a small decrease in the number of 16–17 year olds in the population.

figure OU.2: Proportions of 16–17 year olds receiving an Independent Youth Benefit



Note

1 Proportion shows:

- number of 16–17 year olds recorded in SWIFTT as receiving an Independent Youth Benefit at the end of June, divided by
- Statistics New Zealand's final estimate of the resident population of 16 and 17 year olds at the end of June.

See table PP.5 for a summary of the data underlying figure OU.2.

For more information on trends in the number receiving an other unemployment-associated benefit, see table OT.2

This table shows trends since 1991 in the number receiving an Independent Youth Benefit.

Trends in other unemployment-associated benefits granted

The number of other unemployment-associated benefits granted increased between 2007/2008 and 2009/2010

This increase (see table OU.2) reflected larger numbers of people seeking financial assistance while in training.

This increased demand during the recession for financial assistance reflected at least in part the reduced job opportunities over this period for students and other trainees.

The number of clients receiving other unemployment-associated benefits decreased between 2005/2006 and 2007/2008.

Clients granted other unemployment-associated benefits became more likely to be students seeking short-term support before entering or re-entering full-time study

Sixty percent of other unemployment-associated benefits granted in 2009/2010 were an Unemployment Benefit – 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 over holiday periods.
- increases in student numbers as young people entered or remained in training rather than enter the job market during the recession.

The proportion of these clients who were receiving an Unemployment Benefit – Student – Hardship decreased between 2005/2006 and 2007/2008 (see table OU.2).

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

Type of other unemployment-associated benefit granted	Other unemployment-associated benefits granted to working-age clients ^{1,2}				
	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number	2009/2010 Number
Unemployment Benefit – Training and Unemployment Benefit – Hardship – Training	10,210	11,965	11,876	13,360	12,215
Unemployment Benefit – Student – Hardship	12,794	10,941	8,865	11,200	18,180
Total granted to working-age clients	23,004	22,906	20,741	24,560	30,395
	Other unemployment-associated benefits granted to other clients ^{1,2}				
Total granted to other clients	3,627	2,931	2,779	3,448	3,524
	Total unemployment-associated benefits granted to working-age clients ^{1,2}				
Total granted to all clients	26,631	25,837	23,520	28,008	33,919

Notes

1 Other unemployment-associated benefits comprise Unemployment Benefit – Training, Unemployment Benefit – Hardship – Training, Unemployment Benefit – Student – Hardship, and Independent Youth Benefit.

2 Numbers of successful applications for other unemployment-associated benefits recorded in SWIFTT during years ended June.

Trends in cancellations of other unemployment-associated benefits

The number of other unemployment-associated benefits cancelled increased between 2007/2008 and 2009/2010

This increase (see table OU.3) reflected growth in the number receiving these benefits.

The number of other unemployment-associated benefits cancelled decreased between 2005/2006 and 2007/2008 (see table OU.3). This also reflected changes in the number receiving these benefits.

Cancellations of other unemployment-associated benefits have become more likely to involve cancelling an Unemployment Benefit – Hardship – Student

Fifty-five percent of these benefits cancelled in 2009/2010 were an Unemployment Benefit – Student – Hardship (see table OU.3). This compared with 41% in 2007/2008.

This increase reflected the growing dominance of Unemployment Benefit – Student – Hardship among other unemployment-related benefits being paid.

The proportion of these clients who were receiving an Unemployment Benefit – Student – Hardship decreased between 2005/2006 and 2007/2008.

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

Type of other unemployment-associated benefit cancelled	Other unemployment-associated benefits cancelled by working-age clients ^{1,2}				
	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number	2009/2010 Number
Unemployment Benefit – Training and Unemployment Benefit – Hardship – Training	8,845	11,227	11,639	12,556	13,029
Unemployment Benefit – Student – Hardship	12,895	10,971	8,874	11,204	17,987
Independent Youth Benefit	753	638	967	1,114	1,538
Total cancelled by working-age clients	22,493	22,836	21,480	24,874	32,554
	Other unemployment-associated benefits cancelled by other clients ^{1,2}				
Total cancelled by other clients	3,211	2,705	1,839	1,748	2,017
	Other unemployment-associated benefits cancelled by all clients ^{1,2}				
Total cancelled by all clients	25,704	25,541	23,319	26,622	34,571

Notes

- 1 Other unemployment-associated benefits comprise Unemployment Benefit – Training, Unemployment Benefit – Hardship – Training, Unemployment Benefit – Student – Hardship and Independent Youth Benefit.
- 2 Number of cancellations of an other unemployment-associated benefit recorded in SWIFTT during years ended June.

Domestic Purposes Benefits

Which benefits are these?

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.

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
- 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 either:

- 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 Purpose Benefit – Sole Parent are, with some exceptions, required to:

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

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

Income and residency tests

Income and residency tests apply.

Work tests

Over recent years, clients receiving a Domestic Purposes Benefit – Sole Parent have been obliged to meet the requirements of the Personal Development and Employment (PDE) 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 people who are caring on a full-time basis for someone (other than a partner). The person being cared for must:

- be in their home
- have an incapacity or condition which 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

Income and residency tests apply.

Work tests

Recipients of 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

Residency and income tests apply.

Work tests

Over recent years, clients receiving a Domestic Purposes Benefit – Women Alone have been obliged to meet the requirements of the Personal Development and Employment (PDE) 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 due to annual closedown periods
- are unpaid during a break during employment
- are 16 or 17 year old sole parents 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 an Unsupported Child's Benefit or an Orphan's Benefit.

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

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

Residency and income tests

Residency and income tests apply.

Work tests

Over recent years, clients receiving an Emergency Maintenance Allowance have been obliged to meet the requirements of the Personal Development and Employment (PDE) planning process if required to by their case manager.

Trends in the number of clients receiving a Domestic Purposes Benefit

The number receiving a Domestic Purposes Benefit increased between 2008 and 2010

This increase (see table DP.1) reflected, at least in part, the impacts 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 2010, 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 grew more quickly between 2007 and 2010 than in earlier years (see table DP.1). This reflected, at least in part, the impacts of a Work and Income campaign aimed at ensuring that people caring for others were receiving their full and correct entitlements.

table DP.1: Types of Domestic Purposes Benefit received

Type of Domestic Purposes Benefit received at the end of June	2006 Number	2007 Number	2008 Number	2009 Number	2010 Number
Working-age clients receiving a Domestic Purposes Benefit^{1,2}					
Domestic Purposes Benefit – Sole Parent	93,348	87,601	86,695	93,404	99,284
Domestic Purposes Benefit – Care of Sick or Infirm	4,131	4,485	5,246	6,016	6,630
Domestic Purposes Benefit – Women Alone	2,897	2,838	2,842	3,149	3,507
Emergency Maintenance Allowance	1,265	1,543	1,657	1,831	2,268
Total received by working-age clients	101,641	96,467	96,440	104,400	111,689
Other clients receiving a Domestic Purposes Benefit^{1,2}					
Total received by other clients	690	644	717	782	694
All clients receiving a Domestic Purposes Benefit^{1,2}					
Total	102,331	97,111	97,157	105,182	112,383

Notes

- Domestic Purposes Benefits comprise Domestic Purposes Benefit – Sole Parent, Domestic Purposes Benefit – Care of Sick or Infirm, Domestic Purposes Benefit – Women Alone and Emergency Maintenance Allowance.
- Number of clients recorded in SWIFTT as receiving a Domestic Purposes Benefit at the end of June.

... of whom around half had at least one dependent child aged less than five years

During this period, 49% of the working-age recipients of a Domestic Purposes Benefit – Sole Parent or Emergency Maintenance Allowance had at least one child aged under five years (see table DP.2). Almost all recipients of these benefits had at least one child aged less than 14 years.

table DP.2: Ages of youngest children dependent on 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 ¹				
	2006 Number	2007 Number	2008 Number	2009 Number	2010 Number
0–4 years	44,263	42,530	43,147	46,734	50,086
5–9 years	26,514	24,296	23,283	24,513	25,510
10–13 years	14,438	13,273	12,934	13,832	14,654
14–17 years	9,077	8,710	8,615	9,700	10,715
18–19 years	240	260	232	288	412
Not caring for children ²	81	75	141	168	175
Total	94,613	89,144	88,352	95,235	101,552

Notes

- 1 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.

Trends in the proportion of working-age people receiving Domestic Purposes Benefit – Sole Parent or Emergency Maintenance Allowance

Between 2008 and 2010, working-age New Zealanders became slightly more likely to be receiving a Domestic Purposes Benefit – Sole Parent or an Emergency Maintenance Allowance

This increase (see figure DP.1) reflected, at least in part, the impact of the recession on job opportunities for sole parents and on rates of relationship breakdown.

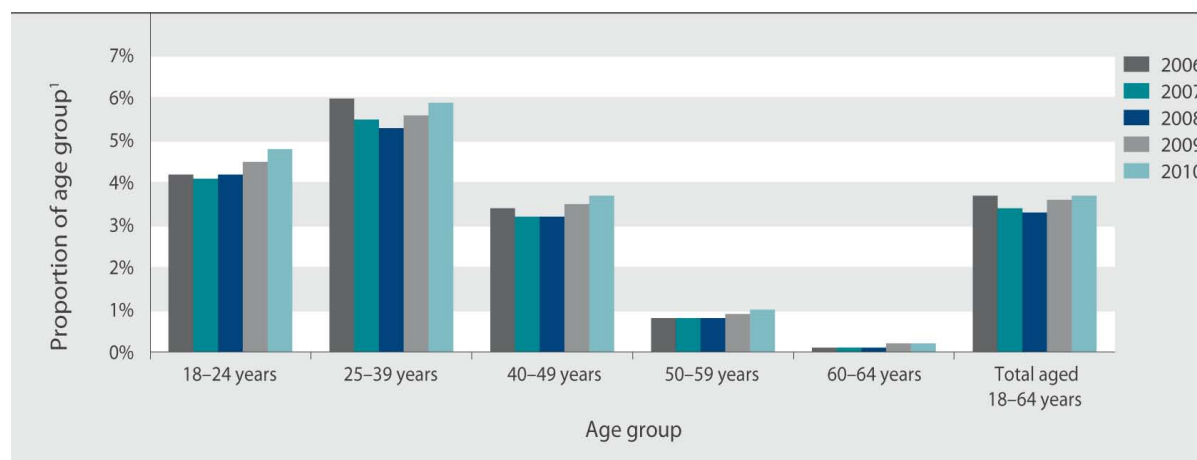
The proportion of working age New Zealanders receiving these benefits decreased between 2006 and 2008.

Younger people were most likely to be receiving these benefits

Between 2006 and 2010, 25–39 year olds and 18–24 year olds were more likely than older working-age people to be receiving one of these benefits (see figure DP.1). This reflected, in part, patterns in the ages of:

- women who are having children
- people when relationship breakdowns occur.

figure DP.1: Proportions of working-age people receiving a Domestic Purposes Benefit – Sole Parent or an Emergency Maintenance Allowance, by age



Note

1 Proportion shows:

- number of people in age group recorded in SWIFTT as receiving a Domestic Purposes Benefit – Sole Parent or an Emergency Maintenance Allowance at the end of June, divided by
- Statistics New Zealand final estimate of the resident population in age group at the end of June.

See table PP.6 for a summary of the data underlying figure DP.1.

Between 2006 and 2010, very small numbers (0.2% or less) of working-age people received:

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

For more information on numbers receiving Domestic Purposes Benefits, see table OT.2.

This table shows trends since 1975 in numbers receiving Domestic Purposes Benefits.

Trends in Domestic Purposes Benefits granted

The number of Domestic Purposes Benefits granted decreased slightly between 2008/2009 and 2009/2010

This decrease (see table DP.3) followed increases between 2006/2007 and 2008/2009.

Clients granted a Domestic Purposes Benefit became more likely to have not received benefits

Twenty-nine percent of the clients granted a Domestic Purposes Benefits in 2009/2010 had not received a main benefit in the previous four years (see table DP.3). This compared with 24% in 2007/2008.

During the same period, 26% of these clients had transferred within the benefit system (see table DP.3).

table DP.3: Length of periods since clients granted a Domestic Purposes Benefit last received any main benefit

Period since client last received any main benefit	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number	2009/2010 Number
Domestic Purposes Benefits granted to working-age clients^{1,2}					
None (clients transferring within the benefit system) ³	9,260	9,447	10,035	10,654	11,416
Under 6 months	6,402	6,559	6,748	6,911	6,250
6–12 months	3,640	3,341	3,819	3,965	3,433
12–18 months	2,169	1,917	2,340	2,517	2,054
18 months–2 years	1,474	1,372	1,598	1,966	1,602
2–4 years	3,162	3,061	3,393	4,365	4,201
Had not received a main benefit in previous 4 years	8,035	7,774	8,561	11,433	11,660
Total granted to working-age clients	34,142	33,471	36,494	41,811	40,616
Domestic Purposes Benefits granted to other clients^{1,2}					
Total granted to other clients	906	940	1,054	1,100	942
Total Domestic Purposes Benefits granted^{1,2}					
Total	35,048	34,411	37,548	42,911	41,558

Notes

- Domestic Purposes Benefits comprise Domestic Purposes Benefit – Sole Parent, Domestic Purposes Benefit – Care of Sick or Infirm, Domestic Purposes Benefit – Women Alone and Emergency Maintenance Allowance.
- Number of successful applications for a Domestic Purposes Benefit recorded in SWIFTT during years ended June.
- 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 2009/2010

This decrease (see table DP.4) followed increases between 2006/2007 and 2008/2009.

Around three in five of these clients had a dependent child aged under five years

Fifty-nine percent of the working-age clients granted these benefits between 2008/2009 and 2009/2010 had at least one dependent child aged under five years (see table DP.4). Nearly all of these clients (91%) had at least one dependent child aged under 14 years.

table DP.4: Ages of youngest children dependent on working-age clients who were 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 ¹				
	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number	2009/2010 Number
0–4 years	18,555	18,318	19,586	21,778	21,469
5–9 years	6,272	6,060	6,418	7,376	6,790
10–13 years	3,626	3,353	3,762	4,539	4,301
14–17 years	2,255	2,164	2,402	3,274	3,190
18 years or over	24	15	13	28	40
Unspecified	14	0	0	1	1
Not applicable (no child linked to the benefit) ²	59	65	82	99	83
Total granted	30,805	29,975	32,263	37,095	35,874

Notes

- 1 Number of successful applications from working-age clients for a Domestic Purposes Benefit – Sole Parent or 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.

Trends in cancellations of Domestic Purposes Benefits

The number of clients cancelling a Domestic Purposes Benefit showed little change between 2008/2009 and 2009/2010

This stabilisation of cancellation numbers (see table DP.5) followed two years of decreases in cancellations of these benefits.

table DP.5: Ages of clients cancelling a Domestic Purposes Benefit

Age group of client at date of cancellation	Cancellations of Domestic Purposes Benefits ^{1,2}				
	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number	2009/2010 Number
Working-age clients	38,698	39,273	36,873	34,566	34,110
Other clients	346	370	351	375	373
Total	39,044	39,643	37,224	34,941	34,483

Notes

- Domestic Purposes Benefits comprise Domestic Purposes Benefit – Sole Parent, Domestic Purposes Benefit – Care of Sick or Infirm, Domestic Purposes Benefit – Women Alone and Emergency Maintenance Allowance.
- Number of cancellations of Domestic Purposes Benefits recorded in SWIFTT during years ended June.

Clients cancelling a Domestic Purposes Benefit became less likely to be entering paid work

Thirty-one percent of working-age clients cancelling a Domestic Purposes Benefit in 2009/2010 entered paid work (see table DP.6). This compared with 41% in 2007/2008.

This decrease reflected the impacts of the recession on the availability of work opportunities.

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

table DP.6: Recorded reasons for working-age clients cancelling a Domestic Purposes Benefit

Reason for cancellation	Cancellations of Domestic Purposes Benefits ^{1,2}				
	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number	2009/2010 Number
Obtained paid work	14,525	16,223	14,755	11,706	10,714
Other ³	24,173	23,050	22,118	22,860	23,396
Total cancelled by working-age clients	38,698	39,273	36,873	34,566	34,110

Notes

- Domestic Purposes Benefits comprise Domestic Purposes Benefit – Sole Parent, Domestic Purposes Benefit – Care of Sick or Infirm, Domestic Purposes Benefit – Women Alone and Emergency Maintenance Allowance.
- Number of cancellations of Domestic Purposes Benefits recorded in SWIFTT during years ended June.
- These cancellations occurred for administrative reasons (eg to test ongoing eligibility or 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.

Trends in number of transfers from Domestic Purposes Benefits

The number of transfers from Domestic Purposes Benefits increased between 2007/2008 and 2009/2010

This increase (see table DP.7) reflected an increased number receiving a Domestic Purposes Benefit.

The number transferring from Domestic Purposes Benefits remained relatively unchanged between 2005/2006 and 2007/2008.

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

Sixty-four percent of transfers from Domestic Purposes Benefits in 2009/2010 were to other forms of assistance (see table DP.7). This compared with 57% in 2007/2008.

This change largely reflected increased transfers from Domestic Purposes Benefits to Unemployment Benefits. Between 2008/2009 and 2009/2010, these transfers accounted for almost one in two transfers from Domestic Purposes Benefits to other forms of assistance.

table DP.7: Transfers from Domestic Purposes Benefits by working-age clients

Type of transfer	Numbers of transfers from Domestic Purposes Benefits by working-age clients ^{1,2}				
	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number	2009/2010 Number
Transferred to New Zealand Superannuation, pension or another type of main benefit	4,577	4,052	3,842	4,470	5,298
Transferred within the group of Domestic Purposes Benefits ³	2,418	2,649	2,903	3,071	2,953
Total transfers	6,995	6,701	6,745	7,541	8,251

Notes

- Domestic Purposes Benefits comprise Domestic Purposes Benefit – Sole Parent, Domestic Purposes Benefit – Care of Sick or Infirm, Domestic Purposes Benefit – Women Alone and Emergency Maintenance Allowance.
- 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.
- 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 transfers from an Emergency Maintenance Allowance to a Domestic Purposes Benefit – Sole Parent) or may be recorded because the client's benefit was cancelled then resumed as part of reviewing the client's needs and entitlement to assistance.

Trends in expenditure on Domestic Purposes Benefits

Expenditure on Domestic Purposes Benefits increased between 2007/2008 and 2009/2010

This increase (see table DP.8) reflected:

- an increased number receiving these benefits, at least partly due to reduced job opportunities in an economy in recession
- increases in supplementary benefits and hardship assistance paid (particularly Accommodation Supplement, Temporary Additional Support and benefit advances).

Expenditure on Domestic Purposes Benefits decreased between 2005/2006 and 2007/2008 (see table DP.8). This decrease reflected a combination of:

- reductions during most of this period in the number of clients receiving these benefits, as the economy grew and benefit numbers reduced
- the introduction of the In-Work Tax Credit on 1 April 2006, which increased incentives for clients receiving a Domestic Purposes Benefit while working part-time to cease receiving the Domestic Purposes Benefit.

table DP.8: Annual expenditure on Domestic Purposes Benefits¹

Year ended June	Expenditure on Domestic Purposes Benefits^{2,3,4} (\$m)
2005/2006	1,750
2006/2007	1,706
2007/2008	1,697
2008/2009	1,827
2009/2010	2,037

Notes

- 1 Domestic Purposes Benefits comprise Domestic Purposes Benefit – Sole Parent, Domestic Purposes Benefit – Care of Sick or Infirm, Domestic Purposes Benefit – Women Alone and Emergency Maintenance Allowance.
- 2 Expenditure on Domestic Purposes Benefits in years ended June, including expenditure on supplementary benefits provided to recipients of a Domestic Purposes Benefit.
- 3 Expenditure shown is net of taxation, adjusted to payment periods based on a standard 30-day month and smoothed using a three-month moving average.
- 4 Expenditure data in this table differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

The monthly expenditure on Domestic Purposes Benefits between 2005/2006 and 2009/2010 showed some seasonal variations

The monthly expenditure on Domestic Purposes Benefits showed a small seasonal peak in the latter part of each fiscal year (see figure DP.2). These peaks reflected payments at the start of the school/academic year of:

- Training Incentive Allowances
- benefit advances.

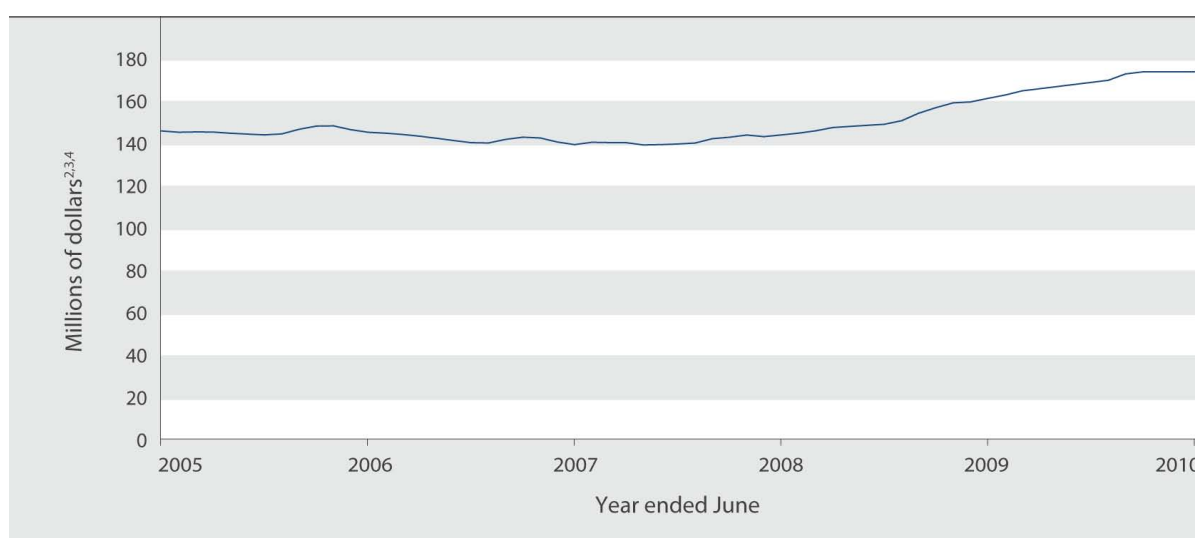
These payments were made to clients who:

- had children attending school, or
- were themselves undertaking approved training.

The usual seasonal pattern was disguised in the second half of 2008/2009 and in 2009/2010 by:

- increases in the number receiving a Domestic Purposes Benefit
- reduced use of Training Incentive Allowance.

figure DP.2: Monthly expenditure on Domestic Purposes Benefits¹



Notes

- 1 Domestic Purposes Benefits comprise Domestic Purposes Benefit – Sole Parent, Domestic Purposes Benefit – Care of Sick or Infirm, Domestic Purposes Benefit – Women Alone and Emergency Maintenance Allowance.
- 2 Monthly expenditure on Domestic Purposes Benefits. Includes expenditure on supplementary benefits paid to recipients of a Domestic Purposes Benefit.
- 3 Expenditure shown is net of taxation, adjusted to payment periods based on a standard 30-day month and smoothed using a three-month moving average.
- 4 Expenditure data in this graph differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

For more information on expenditure on Domestic Purposes Benefits, see table OT.5

This table shows trends since 1975 in expenditure on Domestic Purposes Benefits.

Sickness Benefits

Which benefits are these?

The main benefits in this group consist of:

- 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 addressing their needs, strengths, barriers and key issues.

From September 2007, new administrative processes for Sickness Benefits:

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

These decisions by case managers were to be based on:

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

Eligibility by specific type of Sickness benefit

Sickness Benefit

Who are the Sickness Benefits 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.

Prior to 1 October 1998, a Sickness Benefit was available to people aged 18 years or over (16 years or over until 1 January 1998) who:

- were temporarily incapacitated for work
- had suffered a loss of earnings
- met an income test.

Income and residency tests

Income and residency tests apply.

Work tests

Clients receiving a Sickness Benefit may be required to fulfil the demands of the Personal Development and Employment planning process.

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 was subject to:

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

If a couple's youngest dependent child was aged under six years, the spouse or partner was obliged to engage with the Personal Development and Employment planning process if required.

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.

Trends in the number of clients receiving a Sickness Benefit

The number receiving a Sickness Benefit increased between 2008 and 2010

This increase (see table SB.1) reflected:

- the resumption of historical increases in the number receiving a Sickness Benefit
- the impacts of the economic recession on job opportunities for people living and working with health and disability issues.

The number receiving a Sickness Benefit decreased in 2008 as a result of the operational changes introduced from September 2007.

Only a very small number of these clients received a Sickness Benefit – Hardship.

Nearly two in three working-age clients receiving a Sickness Benefit were aged 25–54 years

Of the working-age clients receiving these benefits between 2008 and 2010 (see table SB.1):

- around 44% were aged 45–64 years
- 25% were aged 18–29 years.

table SB.1: Ages of clients receiving a Sickness Benefit

Age of client at the end of June	2006 Number	2007 Number	2008 Number	2009 Number	2010 Number
	Working-age clients receiving a Sickness Benefit ^{1,2}				
18–19 years	1,852	1,838	2,054	2,425	2,410
20–24 years	4,678	4,925	5,224	6,570	6,880
25–29 years	4,128	4,347	4,249	5,064	5,378
30–34 years	4,518	4,380	4,172	4,851	5,115
35–39 years	5,023	5,108	4,972	5,630	5,795
40–44 years	5,467	5,400	5,192	5,892	6,479
45–49 years	5,673	5,854	5,695	6,669	7,148
50–54 years	5,592	5,744	5,212	6,243	7,079
55–59 years	5,897	5,662	4,979	5,707	6,313
60–64 years	4,244	4,805	4,522	5,301	5,868
Total working-age clients	47,072	48,063	46,271	54,352	58,465
	Other clients receiving a Sickness Benefit ^{1,2}				
Total other clients	487	524	439	540	751
	All clients receiving a Sickness Benefit ^{1,2}				
Total	47,559	48,587	46,710	54,892	59,216

Notes

1 Sickness Benefits comprise Sickness Benefit and Sickness Benefit – Hardship.

2 Number of clients recorded in SWIFTT as receiving a Sickness Benefit at the end of June.

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

Forty-one percent of working-age recipients of a Sickness Benefit in 2010 had a psychological or psychiatric condition (see table SB.2). This compared with 35% in 2006.

There was a corresponding decrease in the proportion of these clients with a systemic disorder, from 40% to 35% (see table SB.2).

table SB.2: Incapacities of working-age clients receiving a Sickness Benefit

Client incapacity at the end of June	Working-age clients receiving a Sickness Benefit ^{1,2}				
	2006 Number	2007 Number	2008 Number	2009 Number	2010 Number
Accident, trauma, entry of foreign bodies	4,862	4,790	3,313	4,333	4,547
Disease ³	339	349	649	784	850
Cancer	808	819	647	684	812
Congenital conditions	169	148	186	225	245
Intellectual disability	167	158	113	117	113
Pregnancy related	1,481	1,477	1,428	1,327	1,262
Psychological or psychiatric conditions	16,630	17,274	18,036	22,004	23,931
Sensory disorders	488	529	542	657	708
Substance abuse	3,221	3,479	3,842	4,494	4,642
Systemic disorders ⁴	18,870	19,012	17,242	19,232	20,638
Unspecified/ill-defined conditions ⁵	37	28	273	495	717
Total	47,072	48,063	46,271	54,352	58,465

Notes

- 1 Sickness Benefits comprise Sickness Benefit and Sickness Benefit – Hardship.
- 2 Number of working-age clients recorded in SWIFTT as receiving a Sickness Benefit at the end of June.
- 3 Encompasses circulatory system diseases, infectious diseases and parasitic diseases.
- 4 Encompass disorders of physiological systems (eg musculoskeletal systems, metabolic systems).
- 5 Include incapacities not coded and ill-defined conditions.

Recipients of a Sickness Benefit became slightly more likely to have received their benefit for between six months and two years

Forty percent of working-age recipients of a Sickness Benefit in 2010 had received their current benefit for between six months and two years (see table SB.3). This compared with 36% in 2008.

This increase reflected the impacts 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.

table SB.3: Length of current spells receiving a Sickness Benefit, for working-age clients

Length of current spell to the end of June	Working-age clients receiving a Sickness Benefit ^{1,2}				
	2006 Number	2007 Number	2008 Number	2009 Number	2010 Number
Under 6 months	14,554	14,928	14,678	18,212	17,068
6 months–2 years	16,971	16,833	16,605	20,202	23,165
2–4 years	8,904	9,372	8,023	8,349	9,828
Over 4 years	6,643	6,930	6,965	7,589	8,404
Total	47,072	48,063	46,271	54,352	58,465

Notes

1 Sickness Benefits comprise Sickness Benefit and Sickness Benefit – Hardship.

2 Number of working-age clients recorded in SWIFTT as receiving a Sickness Benefit at the end of June.

Trends in the proportion of working-age people receiving a Sickness Benefit

Between 2006 and 2010, comparatively few working-age New Zealanders received a Sickness Benefit

The proportion of working-age New Zealanders receiving a Sickness Benefit increased slightly between 2008 and 2010 (see figure SB.1).

This increase reflected:

- the impacts of the economic recession on employment opportunities for people with health issues
- an increased use of Sickness Benefits by people who had developed health-related conditions while receiving other main benefits.

Between 2006 and 2010, older people were most likely to be receiving a Sickness Benefit

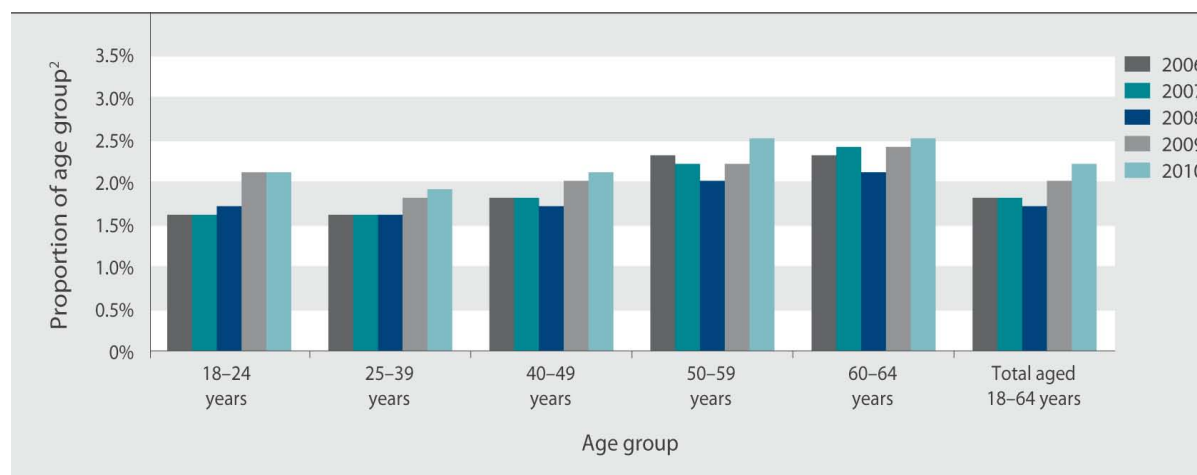
During this period, 50–64 year olds were more likely than other working-age people to be receiving a Sickness Benefit (see figure SB.1).

The likelihood of 50–64 year olds receiving a Sickness Benefit fluctuated between 2006 and 2008 before increasing between 2008 and 2010 (see figure SB.1). These fluctuations reflected, in part, the impacts of ageing on:

- the incidence of health and disability conditions among older working-age people
- whether those conditions become permanent and severe.

Permanent and severe conditions are covered by an Invalid's Benefit rather than a Sickness Benefit.

figure SB.1: Proportions of working-age people receiving a Sickness Benefit¹, by age



Notes

1 Sickness Benefits comprise Sickness Benefit and Sickness Benefit – Hardship.

2 Proportion shows:

- number of clients in each age group recorded in SWIFTT as receiving a Sickness Benefit at the end of June, divided by
- Statistics New Zealand's final estimate of the resident population in each age group at the end of June.

See table PP.7 for a summary of the data underlying figure SB.1.

For more information on the use of Sickness Benefits, see table OT.2

This table shows trends since 1940 in the number of clients receiving a Sickness Benefit.

Trends in Sickness Benefits granted

The number of Sickness Benefits granted remained relatively stable between 2008/2009 and 2009/2010

This stabilisation (see table SB.4) followed a marked increase between 2007/2008 and 2008/2009.

One in three clients granted a Sickness Benefit had not received a main benefit in the previous four years

Thirty-four percent of the working-age clients granted a Sickness Benefit in 2009/2010 had not received a main benefit in the previous four years (see table SB.4). This compared with 30% in 2005/2006.

During the same period, there was a slight decrease in the proportion of clients granted these benefits who were transferring within the benefit system (from 26% to 21%) (see table SB.4).

table SB.4: Length of periods since clients granted a Sickness Benefit last received any main benefit

Period since client last received any main benefit	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number	2009/2010 Number
Sickness Benefits granted to working-age clients^{1,2}					
None (clients transferring within the benefit system) ³	12,513	12,629	10,791	11,793	13,881
Under 6 months	8,698	8,938	9,687	9,503	9,540
6–12 months	4,763	4,763	5,196	5,361	4,440
12–18 months	2,764	2,523	2,810	3,041	2,226
18 months–2 years	1,876	1,823	1,935	2,245	1,822
2–4 years	4,319	4,406	4,440	5,109	4,689
Had not received a main benefit in previous 4 years	12,584	13,584	14,659	18,796	18,828
Total granted to working-age clients	47,517	48,666	49,518	55,848	55,426
Sickness Benefits granted to other clients^{1,2}					
Total granted to other clients	749	823	808	938	954
Sickness Benefits granted to all clients^{1,2}					
Total	48,266	49,489	50,326	56,786	56,380

Notes

1 Sickness Benefits comprise Sickness Benefit and Sickness Benefit – Hardship.

2 Number of successful applications for a Sickness Benefit recorded in SWIFTT during years ended June.

3 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).

More than one in three clients granted a Sickness Benefit had a psychological or psychiatric condition

During this period, 37% of the working-age clients granted a Sickness Benefit had a psychological or psychiatric disorder (see table SB.5).

In the same period, the proportion of these clients with a disorder of the physiological system (eg a nervous system disorder) decreased slightly, from 31% to 28%.

table SB.5: Incapacities of working-age clients granted a Sickness Benefit

Client incapacity when benefit granted	Sickness Benefits granted to working-age clients ^{1,2}				
	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number	2009/2010 Number
Accident, trauma, entry of foreign bodies	5,812	5,563	5,407	6,601	6,888
Disease ³	606	607	710	999	972
Cancer	1,064	1,080	937	986	1,028
Congenital conditions	202	213	211	266	235
Intellectual disability	137	136	64	143	97
Pregnancy related	4,598	4,525	4,484	4,496	4,499
Psychological or psychiatric conditions	16,011	16,834	18,227	20,892	20,647
Sensory disorders	454	444	460	604	572
Substance abuse	2,540	2,666	3,178	3,742	3,648
Systemic disorders ⁴	15,742	16,308	15,418	16,295	15,772
Unspecified/ill-defined conditions ⁵	351	290	422	824	1,068
Total	47,517	48,666	49,518	55,848	55,426

Notes

- 1 Sickness Benefits comprise Sickness Benefit and Sickness Benefit – Hardship.
- 2 Number of successful applications from working-age clients for a Sickness Benefit recorded in SWIFTT during years ended June.
- 3 Encompasses circulatory system diseases, infectious diseases and parasitic diseases.
- 4 Encompass disorders of physiological systems (eg musculoskeletal systems, metabolic systems).
- 5 Include incapacities not coded and ill-defined conditions.

Trends in cancellations of Sickness Benefits

The number of Sickness Benefits cancelled fluctuated between 2007/2008 and 2009/2010

This pattern (see table SB.6) reflected the ongoing impacts of operational changes in September 2007. These changes resulted in an increased number of clients returning to work or transferring to other main benefits (particularly Unemployment Benefits and Invalid's Benefit).

The number of Sickness Benefits cancelled increased between 2005/2006 and 2007/2008 (see table SB.6).

table SB.6: Ages of clients cancelling a Sickness Benefit

Age group of client at date of cancellation	Cancellations of Sickness Benefits ^{1,2}				
	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number	2009/2010 Number
Working-age clients	44,742	47,254	51,207	47,620	50,327
Other clients	875	983	1,139	1,114	1,112
Total	45,617	48,237	52,346	48,734	51,439

Notes

1 Sickness Benefits comprise Sickness Benefit and Sickness Benefit – Hardship.

2 Number of cancellations of Sickness Benefits recorded in SWIFTT during years ended June.

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

Fifteen percent of clients cancelling a Sickness Benefit in 2009/2010 went directly into paid work (see table SB.7). This compared with 18% in 2007/2008. Other clients moved from a Sickness Benefit to an Unemployment Benefit before entering work. In 2009/2010, there were more transfers from a Sickness Benefit to an Unemployment Benefit than from an Unemployment Benefit to a Sickness Benefit.

The decrease between 2007/2008 and 2009/2010 in the proportion of Sickness Benefit cancellations accounted for by clients moving directly into paid work reflected the impacts of the 2008–2010 recession on job opportunities for people with disabilities and health issues.

The proportion of these clients cancelling their benefits to enter paid work remained relatively unchanged between 2006/2007 and 2007/2008 (see table SB.7).

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

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

table SB.7: Recorded reasons for working-age clients cancelling a Sickness Benefit

Reason for cancellation	Sickness Benefits cancelled ^{1,2}				
	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number	2009/2010 Number
Obtained paid work	7,267	8,619	9,437	7,666	7,558
Other ³	37,475	38,635	41,770	39,954	42,769
Total cancelled by working-age clients	44,742	47,254	51,207	47,620	50,327

Notes

- 1 Sickness Benefits comprise Sickness Benefit and Sickness Benefit – Hardship.
- 2 Number of cancellations of Sickness Benefits recorded in SWIFTT during years ended June.
- 3 These cancellations occurred for administrative reasons (eg to test ongoing eligibility or 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.

Trends in number of transfers from Sickness Benefits

The number of transfers from Sickness Benefits fluctuated between 2006/2007 and 2009/2010

This fluctuation (see table SB.8) reflected the impacts of the September 2007 changes to the administration of Sickness Benefits. These changes resulted in an increased number of transfers from Sickness Benefits:

- to Invalid's Benefit in 2007/2008
- to Unemployment Benefit in 2008/2009 and 2009/2010.

The number of transfers from Sickness Benefits were stable between 2005/2006 and 2006/2007 (see table SB.8).

Virtually all transfers from Sickness Benefits were to other main benefits

During this period, between 94% and 96% of the transfers from Sickness Benefits were to other forms of assistance (see table SB.8). 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 searches.

table SB.8: Transfers from Sickness Benefits by working-age clients

Type of transfer	Number of transfers from Sickness Benefits by working-age clients ^{1,2}				
	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number	2009/2010 Number
Transferred to New Zealand Superannuation, pension or another type of main benefit	17,133	16,360	18,690	17,832	19,975
Transferred within the group of Sickness Benefits ³	842	970	958	1,126	889
Total transfers	17,975	17,330	19,648	18,958	20,864

Notes

- 1 Sickness Benefits comprise Sickness Benefit and Sickness Benefit – Hardship.
- 2 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.
- 3 A transfer within the same group of main benefits is recorded when the client's benefit was cancelled then resumed as part of reviewing the client's needs and entitlement to assistance.

Trends in expenditure on Sickness Benefits

Expenditure on Sickness Benefits increased between 2005/2006 and 2009/2010

These increases (see table SB.9) reflected a combination of:

- an increase in the number of people receiving these benefits
- cost of living adjustments
- increased expenditure on Accommodation Supplements and on hardship assistance paid to people receiving a Sickness Benefit.

table SB.9: Annual expenditure on Sickness Benefits

Year ended June	Expenditure on Sickness Benefits^{1,2,3,4} (\$m)
2005/2006	639
2006/2007	671
2007/2008	689
2008/2009	742
2009/2010	877

Notes

- 1 Sickness Benefits comprise Sickness Benefit and Sickness Benefit – Hardship.
- 2 Expenditure on Sickness Benefits in years ended June. Includes expenditure on supplementary benefits provided to recipients of a Sickness Benefit.
- 3 Expenditure shown is net of taxation, adjusted to payment periods based on a standard 30-day month and smoothed using a three-month moving average.
- 4 Expenditure data in this table differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

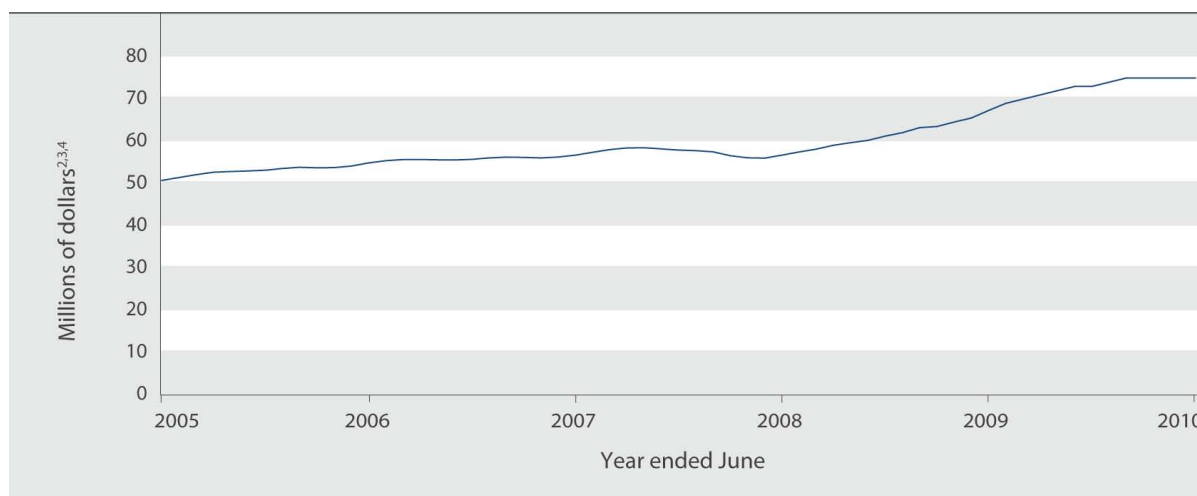
Expenditure on Sickness Benefits showed little seasonal variations between 2005/2006 and 2009/2010

Increases in this expenditure slowed briefly towards the end of 2007/2008 (see figure SB.2). This reflected the impacts of the September 2007 operational changes. These changes resulted in a number of clients:

- entering paid work, or
- transferring from a Sickness Benefit to another main benefit.

From mid-2008, expenditure on Sickness Benefits rose as the recession resulted in reduced job opportunities for people with ill-health and disabilities, causing more of them to move to a Sickness Benefit from outside the benefit system.

The monthly expenditure on Sickness Benefits levelled off in the second part of 2009/2010. This reflected a flattening in the number receiving these benefits.

figure SB.2: Monthly expenditure on Sickness Benefits¹**Notes**

- 1 Sickness Benefits comprise Sickness Benefit and Sickness Benefit – Hardship.
- 2 Monthly expenditure on Sickness Benefits. Includes expenditure on supplementary benefits paid to recipients of a Sickness Benefit.
- 3 Expenditure shown is net of taxation, adjusted to payment periods based on a standard 30-day month and smoothed using a three-month moving average.
- 4 Expenditure data in this graph differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

For more information about expenditure on Sickness Benefits, see table OT.5

This table shows trends since 1940 in expenditure on Sickness Benefits.

Invalid's Benefit

Who is it available to?

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 per 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

Income and residency tests apply.

Work tests

Clients receiving an Invalid's Benefit may be required to fulfil the demands of the Personal Development and Employment planning process.

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

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 was subject to:

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

If the couple's youngest dependent child was aged under six years, the spouse or partner was obliged to engage with the Personal Development and Employment planning process if required.

Eligibility changes from July 2004

From 1 July 2004, eligibility criteria for an Invalid's Benefit were modified to support recipients who wished to try undertaking paid work. These changes allowed:

- an Invalid's Benefit recipient to retain their benefit while working 15 hours per week or more. The period of employment had to:
 - be agreed in advance with the client's case manager
 - not exceed six months
- a client who stopped work and reapplied for an Invalid's Benefit owing to the same illness, disability or injury to be exempted from the automatic stand-down period before they resumed receiving a benefit.

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

Administrative changes from July 2007

From this date, 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 that 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, Invalid's Benefit or other assistance.

These decisions by case managers were to be based on:

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

Trends in the number of clients receiving an Invalid's Benefit

The number receiving an Invalid's Benefit increased between 2006 and 2010

Growth was faster between 2007 and 2008 than between 2008 and 2010 (see table IB.1).

This reflected a combination of:

- the continuation of long-term historical growth in Invalid's Benefit numbers
- the short-term impacts of administrative changes from September 2007, which resulted in some people moving from a Sickness Benefit to an Invalid's Benefit in 2007 and 2008.

The long-term growth in Invalid's Benefit numbers reflected:

- the long-term nature of the conditions that led to people receiving an Invalid's Benefit
- the increasing proportion of the population who were in the older age groups.

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

Of the working-age Invalid's Benefit recipients between 2006 and 2010 (see table IB.1):

- 38% were aged between 40–54 years
- between 33% and 36% were aged between 55–64 years.

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

Age of client at the end of June	2006 Number	2007 Number	2008 Number	2009 Number	2010 Number
	Working-age clients receiving an Invalid's Benefit ¹				
18–19 years	1,566	1,643	1,756	1,856	1,824
20–24 years	3,890	3,949	4,192	4,428	4,608
25–29 years	4,047	4,119	4,319	4,398	4,450
30–34 years	5,376	5,206	5,210	5,036	4,958
35–39 years	7,123	7,160	7,414	7,295	6,954
40–44 years	8,829	8,726	9,024	8,955	8,863
45–49 years	9,522	9,985	10,855	11,055	11,116
50–54 years	10,160	10,599	11,427	11,731	12,092
55–59 years	11,948	12,253	12,979	13,373	13,541
60–64 years	12,888	13,661	15,703	16,417	16,976
Total working-age clients	75,349	77,301	82,879	84,544	85,382
	Other clients receiving an Invalid's Benefit ¹				
Total other clients	1,697	1,776	2,318	2,614	3,031
	All clients receiving an Invalid's Benefit ¹				
Total	77,046	79,077	85,197	87,158	88,413

Note

¹ Number of clients recorded in SWIFTT as receiving an Invalid's Benefit at the end of June.

Between 2006 and 2010, the majority of Invalid's Benefit recipients had a physiological or psychological condition

Of the Invalid's Benefit recipients between 2006 and 2010 (see table IB.2):

- 39% had systemic disorders
- between 27% and 29% had a psychological or psychiatric condition
- between 13% and 15% had an intellectual disability.

table IB.2: Incapacities of working-age clients receiving an Invalid's Benefit

Client incapacity at the end of June	Working-age clients receiving an Invalid's Benefit ¹				
	2006 Number	2007 Number	2008 Number	2009 Number	2010 Number
Accident, trauma, entry of foreign bodies	5,177	5,262	4,932	4,331	4,015
Disease ²	486	520	635	725	821
Cancer	2,218	2,212	2,340	2,264	2,180
Congenital conditions	2,882	2,999	3,297	3,640	3,861
Intellectual disability	10,982	11,005	11,028	11,110	11,041
Psychological or psychiatric conditions	20,480	21,354	23,294	24,328	24,968
Sensory disorders	2,043	2,090	2,267	2,345	2,415
Substance abuse	1,162	1,278	1,577	1,707	1,703
Systemic disorders ³	29,479	29,990	32,704	33,008	33,013
Unspecified/ill-defined conditions ⁴	440	591	805	1,086	1,365
Total	75,349	77,301	82,879	84,544	85,382

Notes

1 Number of working-age 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 Encompass disorders of physiological systems (eg musculoskeletal systems, metabolic systems).

4 Include incapacities not coded and ill-defined conditions.

Trends in the proportion of working-age people receiving an Invalid's Benefit

Between 2006 and 2010, a relatively small number of New Zealanders received an Invalid's Benefit

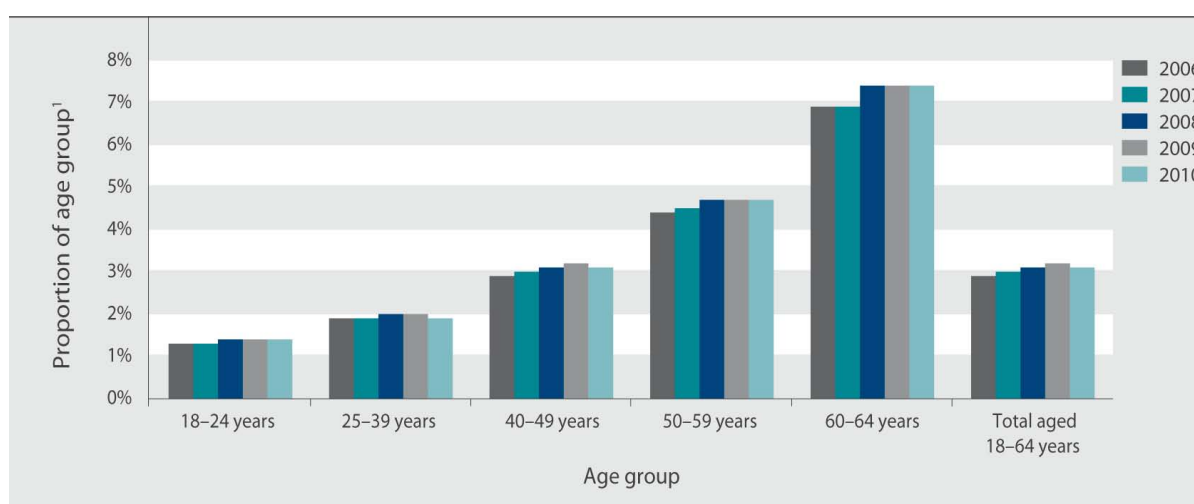
During this period, 3 per cent of New Zealanders were receiving an Invalid's Benefit (see figure IB.1). This proportion remained stable despite population growth. This reflected the long-term nature of the conditions resulting in clients being granted this benefit.

During this period, older New Zealanders were more likely to be receiving an Invalid's Benefit

Between 2006 and 2010, the likelihood of working-age people receiving this benefit increased with age (see figure IB.1). 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.

figure IB.1: Proportions of working-age people receiving an Invalid's Benefit, by age



Note

1 Proportion shows:

- number of clients in each age group recorded in SWIFTT as receiving an Invalid's Benefit at the end of June, divided by
- Statistics New Zealand's final estimate of the resident population in each age group at the end of June.

See table PP.8 for a summary of the data underlying figure IB.1.

For more information on the use of Invalid's Benefit, see table OT.2

This table shows trends since 1940 in the number of clients receiving an Invalid's Benefit.

Trends in grants of Invalid's Benefit

The number of grants of Invalid's Benefit fluctuated between 2006/2007 and 2009/2010

This pattern (see table IB.3) largely reflected the impacts of operational changes introduced in September 2007. One impact of these changes was an increase in transfers from Sickness Benefits to Invalid's Benefits during 2007/2008.

The decreases between 2007/2008 and 2009/2010 in grants of Invalid's Benefit reflected a return to historical levels following one-off increases from the introduction of administrative changes in September 2007.

Clients granted an Invalid's Benefit became less likely to have transferred within the benefit system

Sixty-two percent of clients granted an Invalid's Benefit in 2008/2009 and 2009/2010 transferred within the benefit system (see table IB.3). This compared with around 70% between 2005/2006 and 2007/2008.

The proportion of these clients who had not received a main benefit in the previous four years increased between 2007/2008 and 2009/2010 (from 17% to 24%).

table IB.3: Length of periods since clients granted an Invalid's Benefit last received any main benefit

Period since client last received any main benefit	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number	2009/2010 Number
Grants of Invalid's Benefit to working-age clients¹					
None (clients transferring within the benefit system) ²	7,626	7,653	10,491	6,930	6,544
Under 6 months	758	813	966	778	612
6–12 months	316	279	401	325	240
12–18 months	125	142	216	160	139
18 months–2 years	74	92	130	131	129
2–4 years	220	225	322	288	287
Had not received a main benefit in previous 4 years	1,722	1,870	2,481	2,412	2,569
Total granted to working-age clients	10,841	11,074	15,007	11,024	10,520
Grants of Invalid's Benefit to other clients¹					
Total granted to other clients	846	884	1,344	1,094	1,079
Total grants of Invalid's Benefit¹					
Total	11,687	11,958	16,351	12,118	11,599

Notes

1 Number of successful Invalid's Benefit applications 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).

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

Of the clients granted an Invalid's Benefit between 2006/2007 and 2009/2010 (see table IB.4):

- between 45% and 49% had a systemic disorders
- between 25% and 27% had a psychological or psychiatric disorder.

table IB.4: Incapacities of working-age clients granted an Invalid's Benefit

Client incapacity when benefit granted	Grants of Invalid's Benefit to working-age clients ¹				
	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number	2009/2010 Number
Accident, trauma, entry of foreign bodies	802	814	706	455	479
Disease ²	105	97	159	128	136
Cancer	1,105	1,040	1,239	1,035	1,044
Congenital conditions	234	226	284	242	229
Intellectual disability	337	363	163	251	198
Psychological or psychiatric conditions	2,537	2,772	4,076	2,938	2,639
Sensory disorders	196	222	306	260	268
Substance abuse	216	239	427	264	253
Systemic disorders ³	5,063	5,001	7,300	5,051	4,780
Unspecified/ill-defined conditions ⁴	246	300	347	400	494
Total	10,841	11,074	15,007	11,024	10,520

Notes

1 Number of successful Invalid's Benefit applications from working-age clients recorded in SWIFTT during years ended June.

2 Encompasses circulatory system diseases, infectious diseases and parasitic diseases.

3 Encompass disorders of physiological systems (eg musculoskeletal systems, metabolic systems).

4 Include incapacities not coded and ill-defined conditions.

Trends in cancellations of Invalid's Benefit

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

This stabilisation (see table IB.5) reflected the slow growth in the same period in the number of people receiving an Invalid's Benefit.

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

table IB.5: Ages of clients cancelling an Invalid's Benefit

Age group of client at date of cancellation	Cancellations of Invalid's Benefit ¹				
	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number	2009/2010 Number
Working-age clients	8,082	8,454	8,530	8,730	8,660
Other clients	1,156	1,266	1,225	1,467	1,541
Total	9,238	9,720	9,755	10,197	10,201

Note

1 Number of cancellations of Invalid's Benefit recorded in SWIFTT during years ended June.

Clients cancelling an Invalid's Benefit became slightly less likely to be entering paid work

Ten percent of the working-age clients cancelling an Invalid's Benefit in 2009/2010 entered paid work (see table IB.6). This compared with 19% in 2007/2008.

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

table IB.6: Recorded reasons for working-age clients cancelling an Invalid's Benefit

Reason for cancellation	Cancellations of Invalid's Benefit by working-age clients ¹				
	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number	2009/2010 Number
Obtained paid work	1,315	1,576	1,650	1,258	868
Other ²	6,767	6,878	6,880	7,472	7,792
Total cancelled by working-age clients	8,082	8,454	8,530	8,730	8,660

Notes

1 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 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.

Trends in number of transfers from Invalid's Benefit

The number of transfers from Invalid's Benefit increased between 2007/2008 and 2009/2010

This increase (see table IB.7) was driven primarily by an increase in the number transferring from Invalid's Benefit to Sickness Benefits.

Transfers from Invalid's Benefit became more likely to be transferred to another main benefit

In 2009/2010, 75% of the transfers from Invalid's Benefit were to other forms of assistance (see table IB.7). This compared with 53% in 2007/2008.

This change reflected in large part the increase in the number transferring from Invalid's Benefit to Sickness Benefits.

table IB.7: Transfers from Invalid's Benefit by working-age clients

Type of transfer	Number of transfers from Invalid's Benefit by working-age clients ¹				
	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number	2009/2010 Number
Transferred to New Zealand Superannuation, pension or another type of main benefit	761	666	708	1,124	1,592
Transferred to another Invalid's Benefit ²	583	590	627	542	537
Total transfers	1,344	1,256	1,335	1,666	2,129

Notes

- 1 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.
- 2 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.

Trends in expenditure on Invalid's Benefit

Annual expenditure on Invalid's Benefit increased between 2005/2006 and 2009/2010

This increase (see table IB.8) largely reflected:

- increases in the number of people receiving this benefit
- cost of living adjustments
- growth in supplementary benefits paid to recipients of an Invalid's Benefit.

table IB.8: Annual expenditure on Invalid's Benefit

Year ended June	Expenditure on Invalid's Benefit ^{1,2,3} (\$m)
2005/2006	1,120
2006/2007	1,179
2007/2008	1,264
2008/2009	1,369
2009/2010	1,433

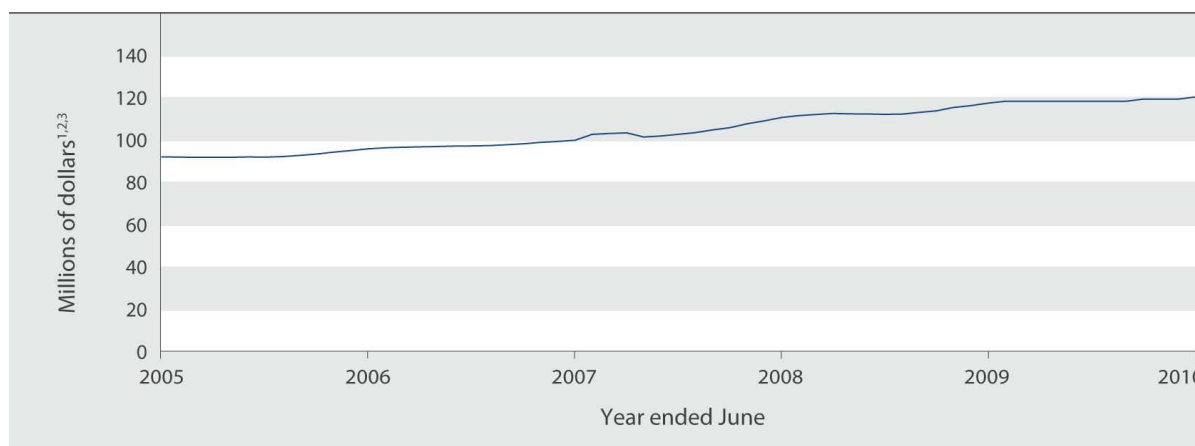
Notes

- 1 Expenditure on Invalid's Benefit in years ended June, including expenditure on supplementary benefits provided to recipients of an Invalid's Benefit.
- 2 Expenditure shown is net of taxation, adjusted to payment periods based on a standard 30-day month and smoothed using a three-month moving average.
- 3 Expenditure data in this table differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

There were few seasonal variations during this period in monthly expenditure on Invalid's Benefit

Continued growth in Invalid's Benefit numbers meant that expenditure on Invalid's Benefit (excluding supplementary benefits) continued to rise (see figure IB.2). From mid-2009 the rate of increase in the number of Invalid's Benefit recipients slowed to be almost flat. Increased expenditure in the latter part of 2010 reflected both the cost of living adjustment and the growth in supplementary assistance payments.

Figure IB.2 also shows a short spike in expenditure at the beginning of 2007/2008. This reflected the administrative result of transferring Invalid's Benefit payments from fortnightly to weekly. This transfer resulted in a pay period being advanced, but did not result in additional money being paid to clients.

figure IB.2: Monthly expenditure on Invalid's Benefit**Notes**

- 1 Monthly expenditure on Invalid's Benefit, including expenditure on supplementary benefits paid to recipients of an Invalid's Benefit.
- 2 Expenditure shown is net of taxation, adjusted to payment periods based on a standard 30-day month and smoothed using a three-month moving average.
- 3 Expenditure data in this graph differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

For more information about expenditure on Invalid's Benefit, see table OT.5

This table shows trends since 1940 in expenditure on Invalid's Benefit.

Widow's Benefit

Who is it available to?

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

- is caring for one or more dependent children
- was married, 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

Income and residency tests apply.

Work test

In recent years, clients receiving a Widow's Benefit have been obliged to meet the requirements of the Personal Development and Employment planning process if required to by their case managers.

Trends in number receiving a Widow's Benefit

The number receiving a Widow's Benefit increased slowly between 2008 and 2010

This increase (see table WB.1) reflected increasing grants of Widow's Benefit at a time when cancellations of this benefit were decreasing.

The number receiving a Widow's Benefit decreased between 2006 and 2008 (see table WB.1).

Widow's Benefit recipients became slightly more likely to have received their benefit for between six months and two years

Twenty-nine percent of the working-age Widow's Benefit recipients in 2010 had received their benefit for between six months and two years (see table WB.1). This compared with 23% in 2008.

This increase reflected reduced work opportunities for older women during the recession of 2008–2010, which led to people remaining on this benefit longer.

The proportion of Widow's Benefit recipients who had received their benefit for between six months and two years remained at around 23% between 2006 and 2008.

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

Length of current spell to the end of June	2006 Number	2007 Number	2008 Number	2009 Number	2010 Number
	Working-age clients receiving a Widow's Benefit ¹				
Under 6 months	704	610	684	783	703
6 months–2 years	1,677	1,497	1,346	1,494	1,682
2–4 years	1,440	1,338	1,214	1,111	1,173
Over 4 years	3,180	2,842	2,559	2,432	2,343
Total working-age clients	7,001	6,287	5,803	5,820	5,901
	Other clients receiving a Widow's Benefit ¹				
Total other clients	180	184	180	214	258
	All clients receiving a Widow's Benefit ¹				
Total	7,181	6,471	5,983	6,034	6,159

Note

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

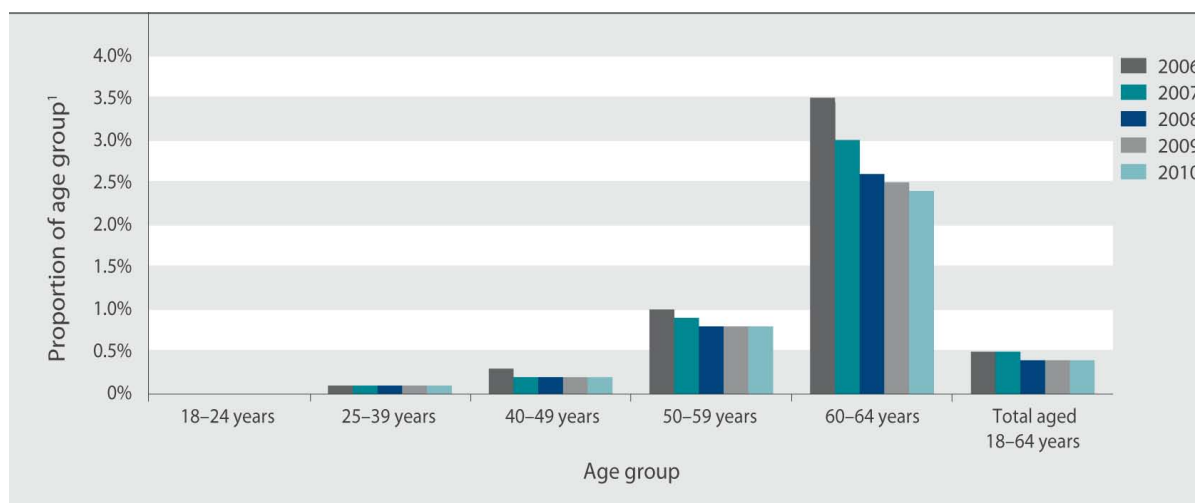
Trends in the proportion of working-age women receiving a Widow's Benefit

Between 2006 and 2010, a very small number of New Zealanders received a Widow's Benefit

During this period, 0.5% of New Zealand women were receiving a Widow's Benefit.

During this period, older women were more likely than younger women to be receiving a Widow's Benefit

Between 2006 and 2010, women aged 50–64 years were significantly more likely than younger women to receive a Widow's Benefit (see figure WB.1). This largely reflected the eligibility criteria for a Widow's Benefit.

figure WB.1: Proportions of working-age women receiving a Widow's Benefit, by age**Note**

1 Proportion shows:

- number of clients in each age group recorded in SWIFTT as receiving a Widow's Benefit at the end of June, divided by
- Statistics New Zealand's final estimate of the resident population of women in each age group at the end of June.

See table PP.9 for a summary of the data underlying figure WB.1.

For more information about the use of Widow's Benefit, see table OT.2

This table shows trends since 1940 in the number of clients receiving a Widow's Benefit.

Trends in grants of Widow's Benefit

The number of grants of Widow's Benefit increased slightly between 2006/2007 and 2009/2010

This increase (see table WB.2) followed a decrease between 2005/2006 and 2006/2007.

Clients granted a Widow's Benefit became slightly more likely to have not received a main benefit in the previous four years

Sixty-five percent of clients granted this benefit in 2009/2010 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 impacts of the recession of 2008–2010 on work opportunities for older women who had previously remained independent of the benefit system.

table WB.2: Length of periods since clients granted a Widow's Benefit last received any main benefit

Period since client last received any main benefit	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number	2009/2010 Number
Grants of Widow's Benefit to working-age clients¹					
None (clients transferring within the benefit system) ²	151	152	176	154	157
Under 6 months	206	182	179	171	153
6–12 months	103	80	104	111	91
12–18 months	44	52	42	65	58
18 months–2 years	39	37	36	40	35
2–4 years	105	101	104	111	117
Had not received a main benefit in previous 4 years	1,132	989	982	1,124	1,145
Total granted to working-age clients	1,780	1,593	1,623	1,776	1,756
Grants of Widow's Benefit to other clients¹					
Total granted to other clients	43	39	53	70	101
Total grants of Widow's Benefit¹					
Total	1,823	1,632	1,676	1,846	1,857

Notes

1 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).

Trends in cancellations of Widow's Benefit

The number of cancellations of Widow's Benefit decreased between 2005/2006 and 2009/2010

This decrease accelerated in 2008/2009 and only slowed slightly in 2009/2010 (see table WB.3).

The continuation of this decrease during 2008/2009 and 2009/2010:

- occurred despite increased grants and an increased number receiving this benefit
- largely reflected the impacts of the 2008–2010 recession on work opportunities for older women.

table WB.3: Ages of clients cancelling a Widow's Benefit

Age group of client at date of cancellation	Cancellations of Widow's Benefit ¹				
	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number	2009/2010 Number
Working-age clients	2,094	1,996	1,832	1,518	1,348
Other clients	357	353	304	336	328
Total	2,451	2,349	2,136	1,854	1,676

Note

1 Number of cancellations of Widow's Benefit in SWIFTT during years ended June.

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 2005/2006 and 2009/2010 entered paid work (see table WB.4).

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

table WB.4: Recorded reasons for working-age clients cancelling a Widow's Benefit

Reason for cancellation	Cancellations of Widow's Benefit ¹				
	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number	2009/2010 Number
Obtained paid work	526	516	490	412	348
Other ²	1,568	1,480	1,342	1,106	1,000
Total cancelled by working-age clients	2,094	1,996	1,832	1,518	1,348

Notes

1 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 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.

Trends in number transferring from Widow's Benefit

The number of transfers from Widow's Benefit decreased between 2007/2008 and 2009/2010

This decrease (from 284 transfers per year to 146) followed relatively stable numbers in the previous two years.

Between 2005/2006 and 2009/2010, almost all transfers from Widow's Benefit were to other main benefits. The majority of those transfers were to Invalid's Benefit, with a smaller number to Domestic Purposes Benefits (usually Domestic Purposes Benefits – Women Alone).

Expenditure on Widow's Benefit

The annual expenditure on Widow's Benefit increased between 2008/2009 and 2009/2010

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

- an increased number receiving a Widow's Benefit
- the use of supplementary assistance by clients receiving a Widow's Benefit.

Expenditure on Widow's Benefit decreased between 2005/2006 and 2008/2009. This decrease reflected a combination of changes in:

- the number of clients receiving this benefit
- the level of hardship assistance being paid.

table WB.5: Annual expenditure on Widow's Benefit

Year ended June	Expenditure on Widow's Benefit^{1,2,3} (\$m)
2005/2006	85
2006/2007	81
2007/2008	75
2008/2009	75
2009/2010	80

Notes

- 1 Expenditure on Widow's Benefit in years ended June, including expenditure on supplementary benefits provided to recipients of a Widow's Benefit.
- 2 Expenditure shown is net of taxation, adjusted to payment periods based on a standard 30-day month and smoothed using a three-month moving average.
- 3 Expenditure data in this table differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

The monthly expenditure on Widow's Benefit between 2005/2006 and 2009/2010 had a seasonal pattern

During this period, the monthly expenditure on Widow's Benefit showed small seasonal peaks in the latter part of each fiscal year (see figure WB.2). These peaks resulted from payments to Widow's Benefit recipients at the start of the school/academic year of:

- Training Incentive Allowance
- benefit advances.

These payments were made to clients who:

- had dependent children at school, or
- were themselves undertaking approved training or study.

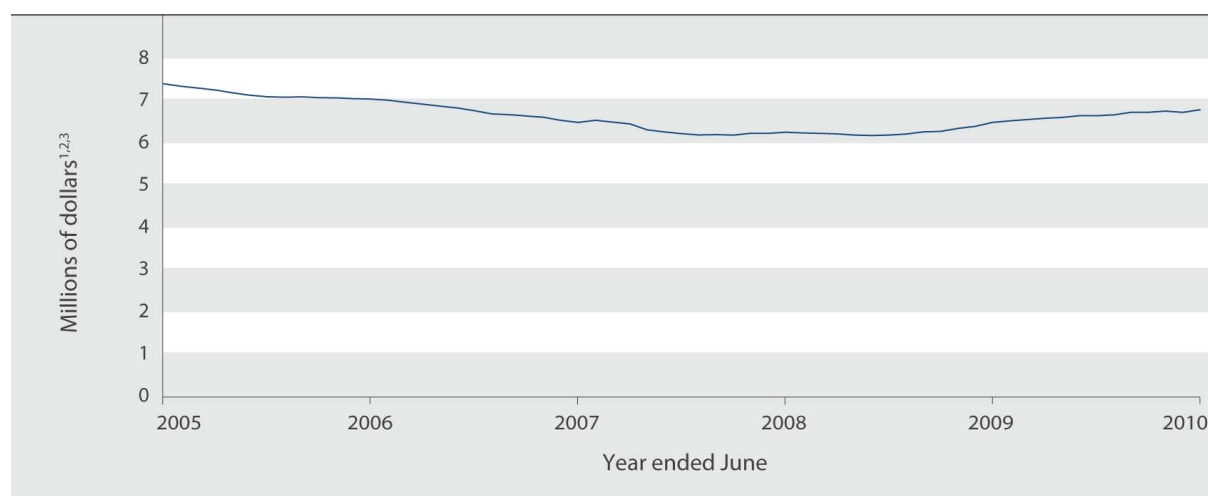
The seasonal pattern became subdued following reductions in:

- the number of Widow's Benefit recipients with dependent children
- the use of Training Incentive Allowance.

An increased number of Widow's Benefit recipients in 2007/2008 also swamped the seasonal pattern.

Figure WB.2 also shows a short spike in expenditure at the beginning of 2007/2008. This reflected the administrative result of transferring Widow's Benefit payments from fortnightly to weekly. This transfer resulted in a pay period being advanced, but did not result in additional money being paid to clients.

figure WB.2: Monthly expenditure on Widow's Benefit



Notes

- 1 Monthly expenditure on Widow's Benefit, including expenditure on supplementary benefits paid to clients receiving a Widow's Benefit.
- 2 Expenditure shown is net of taxation, adjusted to payment periods based on a standard 30-day month and smoothed using a three-month moving average.
- 3 Expenditure data in this graph differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

For more information on expenditure on Widow's Benefit, see table OT.5

This table shows trends since 1940 in expenditure on Widow's Benefit.

Emergency Benefit

Who is it available to?

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 for 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).

Changes from 1 July 2007 in residency criteria for other main benefits increased the demand for Emergency Benefit among working-age people.

Income and asset tests

Income and asset tests apply.

Trends in the number of clients receiving an Emergency Benefit

The number of clients receiving an Emergency Benefit decreased between 2006 and 2010

This decrease (see table EB.1) was apparent both among working-age clients and among other clients. The decrease among working-age clients reflected, at least in part, the ongoing impacts of a change from July 2007 in residency criteria for some other benefits.

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

A third of Emergency Benefit recipients were working age

This compared with 36% in 2007 (see table EB.1). Virtually all non-working age clients receiving an Emergency Benefit were aged 65 years or over but not residentially qualified for New Zealand Superannuation.

In 2010, 46% of working-age Emergency Benefit recipients were aged 40–64 years (see table EB.1). This compared with 63% in 2007.

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

Age of client at the end of June	2006 Number	2007 Number	2008 Number	2009 Number	2010 Number
Working-age clients receiving an Emergency Benefit¹					
18–19 years	119	107	123	146	139
20–24 years	314	283	245	330	369
25–29 years	317	273	265	317	316
30–34 years	357	292	251	302	283
35–39 years	343	301	267	281	261
40–44 years	401	325	227	254	239
45–49 years	421	334	215	220	227
50–54 years	403	405	252	225	196
55–59 years	430	448	288	225	193
60–64 years	633	635	506	419	334
Total working-age clients	3,738	3,403	2,639	2,719	2,557
Other clients receiving an Emergency Benefit¹					
Total other clients	5,958	5,995	5,636	5,344	4,832
All clients receiving an Emergency Benefit¹					
Total	9,696	9,398	8,275	8,063	7,389

Note

¹ 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 2010, 45% of these clients had received their benefit for less than six months (see table EB.2). This compared with 30% in 2008.

table EB.2: Length of current spells receiving an Emergency Benefit, for working-age clients

Length of current spell to the end of June	Working-age clients receiving an Emergency Benefit ¹				
	2006 Number	2007 Number	2008 Number	2009 Number	2010 Number
Under 6 months	1,225	1,047	783	1,107	1,152
6 months–2 years	1,190	1,140	890	784	742
2–4 years	758	714	540	472	330
4 years or over	565	502	426	356	333
Total	3,738	3,403	2,639	2,719	2,557

Note

1 Number of working-age clients recorded in SWIFTT as receiving an Emergency Benefit at the end of June.

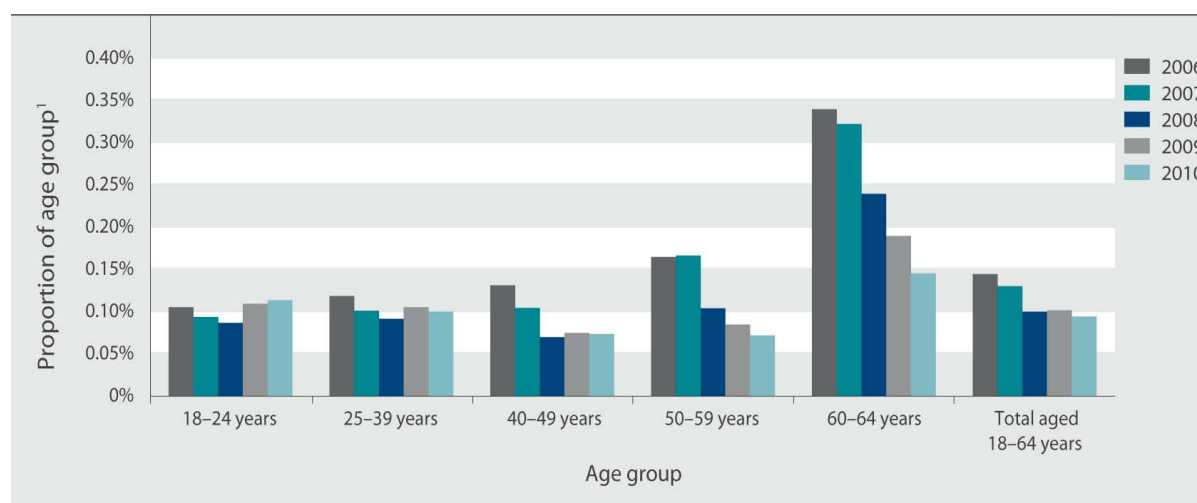
Trends in the proportion of working-age people receiving an Emergency Benefit

Between 2006 and 2010, a very small number of working-age people received an Emergency Benefit

During this period, less than 0.2% of working-age people in New Zealand received an Emergency Benefit at the end of June (see figure EB.1).

During the same period, older working-age people were most likely to be receiving an Emergency Benefit

Between 2006 and 2010, a significantly higher proportion of 60–64 year olds than of younger people received an Emergency Benefit at the end of June (see figure EB.1).

figure EB.1: Proportions of working-age people receiving an Emergency Benefit, by age**Note**

1 Proportion shows:

- a. number of clients in each age group recorded in SWIFTT as receiving an Emergency Benefit at the end of June, divided by
- b. Statistics New Zealand's final estimate of the resident population in each age group at the end of June.

See table PP.10 for a summary of the data underlying figure EB.1.

Trends in grants of Emergency Benefit

The number of grants of Emergency Benefit increased between 2007/2008 and 2009/2010

This increase (see table EB.3):

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

The numbers of grants of Emergency Benefit decreased between 2005/2006 and 2007/2008.

The large majority of grants of Emergency Benefit were to working-age clients

Eighty-nine percent of the grants of Emergency Benefit in 2009/2010 were to working-age clients (see table EB.3). This compared with 79% in 2007/2008.

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

Clients granted an Emergency Benefit became more likely to have not received a main benefit in the previous four years

Thirty percent of working-age clients granted an Emergency Benefit in 2009/2010 had not received a main benefit in the previous four years (see table EB.3). This compared with 21% in 2006/2007.

This increase reflected:

- changes to residency criteria for benefits from 1 July 2007
- the impacts of the recession on people who had previously remained independent of the benefit system.

table EB.3: Length of periods since clients granted an Emergency Benefit last received any main benefit

Period since client last received any main benefit	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number	2009/2010 Number
Grants of Emergency Benefit to working-age clients¹					
None (clients transferring within the benefit system) ²	1,386	1,142	723	717	975
Under 6 months	2,803	2,414	1,880	1,986	2,970
6–12 months	1,065	896	667	813	893
12–18 months	365	316	270	284	282
18 months–2 years	304	280	212	267	251
2–4 years	513	513	424	611	643
Had not received a main benefit in previous 4 years	1,467	1,454	1,505	1,935	2,565
Total granted to working-age clients	7,903	7,015	5,681	6,613	8,579
Grants of Emergency Benefit to other clients¹					
Total granted to other clients	1,824	1,575	1,531	1,361	1,040
Total grants of Emergency Benefit¹					
Total	9,727	8,590	7,212	7,974	9,619

Notes

¹ Number of successful applications for Emergency Benefit recorded in SWIFTT in 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).

Trends in cancellations of Emergency Benefit

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

This increase (see table EB.4):

- was primarily among working-age clients
- largely reflected an increased number of working-age clients cancelling an Emergency Benefit to return to work (see table EB.5).

Most clients cancelling an Emergency Benefit were of working age

Eighty-four percent of clients cancelling an Emergency Benefit in 2009/2010 were of working age (see table EB.4). This compared with 77% in 2007/2008.

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).

table EB.4: Ages of clients cancelling an Emergency Benefit

Age group of client at date of cancellation	Cancellations of Emergency Benefit ¹				
	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number	2009/2010 Number
Working-age clients	7,457	7,298	6,468	6,244	8,605
Other clients	1,461	1,692	1,906	1,765	1,611
Total	8,918	8,990	8,374	8,009	10,216

Note

1 Number of cancellations of Emergency Benefit in SWIFTT during years ended June.

Nearly half of the working-age clients cancelling an Emergency Benefit entered paid work

Forty-eight percent of the working-age clients cancelling an Emergency Benefit between 2007/2008 and 2009/2010 entered paid work (see table EB.5). This compared with 54% in 2006/2007.

This decrease reflected in part the impacts of deteriorating economic conditions on work opportunities available for people receiving main benefits.

table EB.5: Recorded reasons for working-age clients cancelling an Emergency Benefit

Reason for cancellation	Cancellations of Emergency Benefit ¹				
	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number	2009/2010 Number
Obtained paid work	3,814	3,974	3,100	2,986	4,128
Other ²	3,643	3,324	3,368	3,258	4,477
Total cancelled by working-age clients	7,457	7,298	6,468	6,244	8,605

Notes

1 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 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.

Trends in the number transferring from Emergency Benefit

Transfers from Emergency Benefit increased between 2008/2009 and 2009/2010

This increase (see table EB.6) reflected the impacts of the economic recession on the length of periods in which clients were receiving an Emergency Benefit (with an increasing number of clients meeting residency criteria for other benefits before they left the benefit system).

A fluctuation between 2006/2007 and 2008/2009 in the number transferring from Emergency Benefit reflected the impacts of changes from July 2007 to residency criteria for many main benefits.

Almost all transfers from Emergency Benefit were to other main benefits

Between 2007/2008 and 2009/2010, almost all (96%) of these transfers were to other forms of assistance (see table EB.6).

During this period, the proportion of transfers from Emergency Benefit to other forms of assistance that were to:

- Unemployment Benefits increased from 24% to 57%
- Domestic Purposes Benefits decreased from 29% to 17%
- Invalid's Benefit decreased from 28% to 6%.

table EB.6: Transfers from Emergency Benefit by working-age clients¹

Type of transfer	Number of working-age clients transferring from Emergency Benefit ¹				
	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number	2009/2010 Number
Transferred to New Zealand Superannuation, pension or another type of main benefit	1,567	1,475	1,749	1,504	2,006
Transferred to another Emergency Benefit ²	147	69	65	57	76
Total transfers	1,714	1,544	1,814	1,561	2,082

Notes

1 Number of administrative transfers from Emergency 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.

2 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.

Supplementary benefits

Introduction to supplementary benefits

What are supplementary benefits for?

Supplementary benefits are available to assist with meeting 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 assist clients who are having difficulty meeting these costs 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 may receive more than one supplementary benefit. Each supplementary benefit is aimed at assisting with specific costs.

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 payments received.

Payment rates for supplementary benefits

Table SP.1 shows 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 2010)

Supplementary benefit ¹	Status	Maximum weekly payment rate ²
Accommodation Supplement ³	Living in North and Central Auckland	\$225.00
	Living in other high-cost housing areas ⁴	\$165.00
	Living in other main provincial centres ⁵	\$120.00
	Living elsewhere in New Zealand	\$75.00
Training Incentive Allowance	Maximum weekly rate	\$98.45
	(Maximum per year \$3,938.00)	
Disability Allowance	Maximum amount	\$56.98
Child Disability Allowance	Fixed rate	\$42.94
Childcare Subsidy ⁶	Maximum amount	\$185.00
Unsupported Child's Benefit and Orphan's Benefit (per child)	Child is aged 14 years or over	\$188.88
	Child is aged 10–13 years	\$172.77
	Child is aged 5–9 years	\$156.56
	Child is aged under 5 years	\$134.91
Working for Families Tax Credit ^{7,8}	First child or only child 15 years or under	\$86.00
	Second or subsequent child 0–12 years	\$60.00
	Second or subsequent child 13–15 years	\$68.00
	First child or only child 16 years or over	\$99.00
	Second or subsequent child 16 years or over	\$89.00

table continues next page...

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 payable from 1 April 2010.
- 3 Maximum amounts of Accommodation Supplement available are subject to household circumstances and to income and asset tests. 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 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 hours subsidised and income.
- 7 Administered by Inland Revenue but payments to Work and Income clients may be made through Work and Income. Prior to 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

What costs are covered?

An Accommodation Supplement can be used to help pay rent, board or costs of home ownership.

Accommodation Supplement replaced Accommodation Benefit on 1 July 1993.

Housing costs must be over a stated minimum, which is dependent 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.

Who can receive an Accommodation Supplement?

An Accommodation Supplement is available to assist 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

Income and asset tests must be met.

Recent changes in 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.

Trends in the number of clients receiving an Accommodation Supplement

The number receiving an Accommodation Supplement increased between 2007 and 2010

This increase (see table AS.1) followed decreases between 2006 and 2007.

Changes in the number receiving a supplement largely reflected patterns in use of main benefits.

In recent years, Accommodation Supplement recipients became more likely to be receiving Unemployment Benefits

Fifteen percent of Accommodation Supplement recipients in 2010 were receiving an Unemployment Benefit (see table AS.1). This compared with 5% in 2008. This increase reflected growth in the number receiving an Unemployment Benefit.

During the same period (see table AS.1):

- between 26% and 28% of Accommodation Supplement recipients were receiving a Domestic Purposes Benefit
- between 28% and 31% were receiving a Sickness Benefit or Invalid's Benefit.

table AS.1: New Zealand Superannuation, pensions or main benefits paid to clients receiving an Accommodation Supplement

New Zealand Superannuation, pension or main benefit paid at the end of June	Clients receiving an Accommodation Supplement ¹				
	2006 Number	2007 Number	2008 Number	2009 Number	2010 Number
Unemployment Benefits ²	27,008	15,674	12,471	38,846	47,994
Domestic Purposes Benefits ³	72,537	68,459	68,904	75,916	82,245
Sickness Benefits ⁴	33,198	34,113	33,522	40,403	44,114
Invalid's Benefit	37,043	38,265	41,755	43,345	44,037
Other main benefits ⁵	13,932	13,622	13,092	14,622	14,070
New Zealand Superannuation or Veteran's Pension	20,474	21,606	22,800	24,523	26,458
No New Zealand Superannuation, pension or main benefit ⁶	45,186	51,694	52,966	55,733	58,141
Total	249,378	243,433	245,510	293,388	317,059

Notes

1 Number of clients recorded in SWIFTT as receiving an Accommodation Supplement at the end of June.

2 Comprise Unemployment Benefit and Unemployment Benefit – Hardship.

3 Comprise Domestic Purposes Benefit – Sole Parent, Domestic Purposes Benefit – Care of Sick or Infirm, Domestic Purposes Benefit – Women Alone and Emergency Maintenance Allowance.

4 Comprise Sickness Benefit and Sickness Benefit – Hardship.

5 Comprise Unemployment Benefit – Training, Unemployment Benefit – Hardship – Training, Unemployment Benefit – Student – Hardship, Independent Youth Benefit, Widow's Benefit and Emergency Benefit.

6 Includes clients receiving an Unsupported Child's Benefit or an Orphan's Benefit.

A majority of Accommodation Supplement recipients were renting privately

During this period, 60% of Accommodation Supplement recipients were renting privately (see table AS.2). Between 20% and 23% were boarding.

table AS.2: Ownership status of clients receiving an Accommodation Supplement

Ownership status at the end of June	Clients receiving an Accommodation Supplement ¹				
	2006 Number	2007 Number	2008 Number	2009 Number	2010 Number
Renting privately	146,904	145,519	148,173	174,415	190,606
Renting from another organisation	6,627	6,778	7,162	7,680	8,176
Boarding	52,703	48,686	48,901	65,928	72,341
Own their own home ²	43,115	42,427	41,254	45,360	45,930
Unspecified	29	23	20	5	6
Total	249,378	243,433	245,510	293,388	317,059

Notes

- 1 Number of clients recorded in SWIFTT as receiving an Accommodation Supplement at the end of June.
- 2 Virtually all these clients were receiving assistance with mortgage costs. A very small number, however, may have owned their homes without a mortgage but be receiving assistance with other accommodation costs such as rates and insurance.

Trends in the proportion of people aged 18 years or over receiving an Accommodation Supplement

The proportion of people aged 18 years or over receiving an Accommodation Supplement increased between 2008 and 2010

This increase (see figure AS.1) reflected:

- an increase in the number receiving main benefits
- increased use of Accommodation Supplement by working families.

This increase followed a slight fall between 2006 and 2008.

Between 2006 and 2010, younger people were more likely than older people to be receiving an Accommodation Supplement

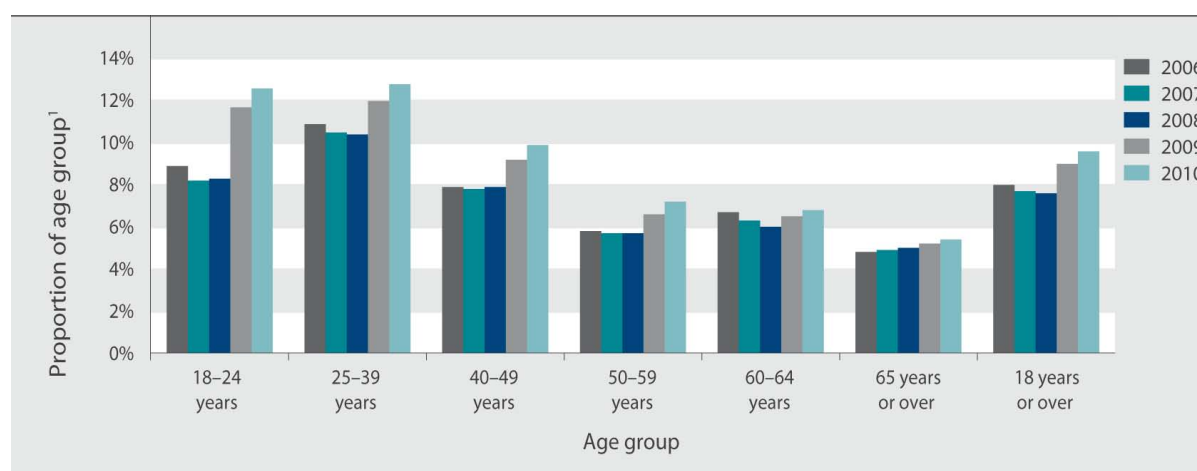
During this period (see figure AS.1):

- 18–39 year olds were more likely than older working-age people to receive an Accommodation Supplement
- people aged 65 years or over were least likely to receive 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.

figure AS.1: Proportions of people aged 18 years or over receiving an Accommodation Supplement, by age



Note

1 Proportion shows:

- number of people in each age group recorded in SWIFTT as receiving an Accommodation Supplement at the end of June, divided by
- Statistics New Zealand's final estimate of the resident population in each age group at the end of June.

See table PP.11 for a summary of the data underlying figure AS.1.

Trends in grants of Accommodation Supplement

The number of grants of Accommodation Supplement increased between 2007/2008 and 2009/2010

This increase (see table AS.3) reflected changes in the number of clients receiving a main benefit, particularly an Unemployment Benefit, as the economy moved into recession.

The number granted an Accommodation Supplement decreased between 2005/2006 and 2007/2008.

Clients granted an Accommodation Supplement became more likely to be receiving an Unemployment Benefit

Thirty-four percent of clients granted an Accommodation Supplement in 2009/2010 were receiving an Unemployment Benefit (see table AS.3). This compared with 21% in 2007/2008.

There were slight decreases between 2007/2008 and 2009/2010 in the proportions of these clients who were receiving (see table AS.3):

- a Domestic Purposes Benefit, Sickness Benefit or Invalid's Benefit
- no New Zealand Superannuation, pension or main benefit.

These changes reflected changes in the number receiving different types of main benefit.

table AS.3: New Zealand Superannuation, pensions or main benefits paid to clients granted an Accommodation Supplement

New Zealand Superannuation, pension or main benefit received when Accommodation Supplement granted	Grants of Accommodation Supplement ¹				
	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number	2009/2010 Number
Unemployment Benefits ²	63,652	52,111	44,317	81,432	96,452
Domestic Purposes Benefits ³	32,211	31,161	33,476	38,510	37,829
Sickness Benefits ⁴	38,597	39,647	40,822	46,750	47,068
Invalid's Benefit	10,344	10,313	12,790	10,408	9,745
Other main benefits ⁵	27,987	26,793	23,602	27,947	32,536
New Zealand Superannuation or Veteran's Pension	5,604	5,752	6,118	6,798	6,858
No New Zealand Superannuation, pension or main benefit ⁶	45,877	48,442	46,749	50,516	54,266
Total	224,272	214,219	207,874	262,361	284,754

Notes

- 1 Number of successful applications for Accommodation Supplement recorded in SWIFTT during years ended June.
- 2 Comprise Unemployment Benefit and Unemployment Benefit – Hardship.
- 3 Comprise Domestic Purposes Benefit – Sole Parent, Domestic Purposes Benefit – Care of Sick or Infirm, Domestic Purposes Benefit – Women Alone and Emergency Maintenance Allowance.
- 4 Comprise Sickness Benefit and Sickness Benefit – Hardship.
- 5 Comprise Unemployment Benefit – Training, Unemployment Benefit – Hardship – Training, Unemployment Benefit – Student – Hardship, Independent Youth Benefit, Widow's Benefit and Emergency Benefit.
- 6 Includes clients receiving an Unsupported Child's Benefit or an Orphan's Benefit.

Trends in expenditure on Accommodation Supplement

Accommodation Supplement expenditure increased between 2005/2006 and 2009/2010

This increase (see table AS.4) accelerated between 2007/2008 and 2009/2010. This acceleration reflected a combination of:

- an increase in the number of working people receiving an Accommodation Supplement
- a sharp increase between 2008 and 2010 in the number of clients receiving Unemployment Benefits and Domestic Purposes Benefits, many of whom were also eligible for an Accommodation Supplement.

Growth from these factors outweighed the impacts of interest rate reductions and slower increases in rent and boarding costs that occurred from mid-2008/2009.

Growth in expenditure on Accommodation Supplement was slower between 2006/2007 and 2007/2008 than between 2007/2008 and 2009/2010.

Why was growth in Accommodation Supplement expenditure slower between 2006/2007 and 2007/2008?

This reflected changes in the number of clients receiving an Accommodation Supplement. During this period:

- the number of Accommodation Supplement recipients who were receiving an Unemployment Benefit decreased
- growth in the number of Accommodation Supplement recipients who were receiving a Domestic Purposes Benefit or were in working families levelled off.

table AS.4: Annual expenditure on Accommodation Supplement

Year ended June	Expenditure on Accommodation Supplement ^{1,2,3} (\$m)
2005/2006	830
2006/2007	865
2007/2008	875
2008/2009	972
2009/2010	1,134

Notes

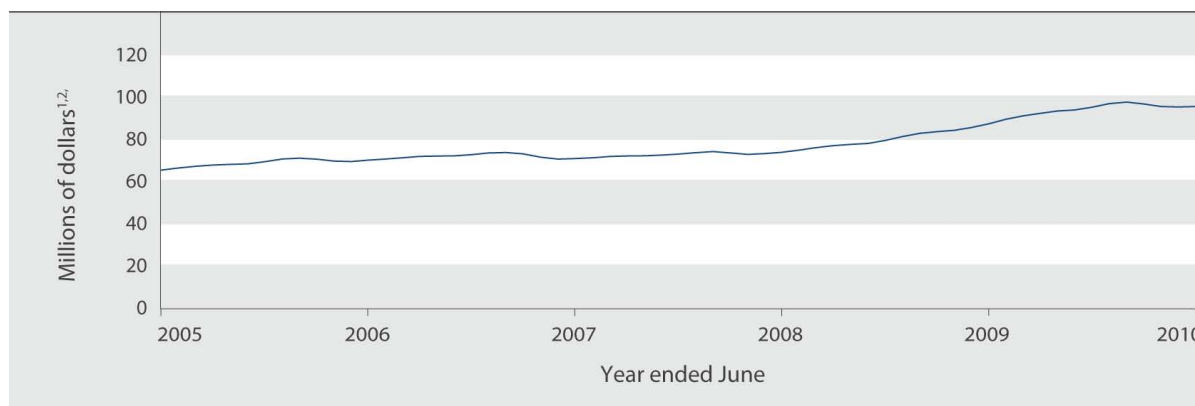
- 1 Expenditure on Accommodation Supplement in years ended June.
- 2 Expenditure shown is adjusted to payment periods based on a standard 30-day month and smoothed using a two-month moving average. The Accommodation Supplement is not subject to taxation.
- 3 Expenditure data in this table differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

The monthly expenditure on Accommodation Supplement between 2005/2006 and 2009/2010 showed a degree of seasonal variation

During this period, Accommodation Supplement expenditure showed small seasonal peaks in summer (see figure AS.2). These reflected the seasonal peaks in uptake of main benefits that occur around this time.

The flattening off in the latter part of 2009/2010 reflected a slowdown in the growth in numbers of main benefit recipients who were receiving an Accommodation Supplement. This slowdown was most evident among recipients of Unemployment Benefits and Sickness Benefits.

figure AS.2: Trends in monthly expenditure on Accommodation Supplement



Notes

- 1 Expenditure is adjusted to payment periods based on a standard 30-day month and smoothed using a two-month moving average. Accommodation Supplement is not subject to taxation.
- 2 Expenditure data in this graph differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

Tenure Protection Allowance

What costs were covered?

This allowance assisted state-house tenants facing hardship as a result of market-related rents when they had to move to other accommodation.

The Tenure Protection Allowance was set at the difference between:

- the actual market rent payable
- the average rent for a household of the same size in the same region.

The Tenure Protection Allowance was a transitional provision, available between June 1993 and November 2000. The allowance was abolished following the reintroduction of income-related rents for state rental homes in November 2000.

When were market-related rents in force for state houses, and which houses were affected?

Market-related rents for state houses were introduced from October 1992 and abolished in November 2000. They applied to Housing New Zealand Corporation (HNZC) properties and to properties managed by Te Puni Kōkiri.

Who could receive a Tenure Protection Allowance?

To be eligible for an allowance, a client needed to be living in a state house on 1 October 1992 and to demonstrate that they were facing hardship as a result of moving to another state house.

No-one has become eligible to receive an allowance since 1 October 1992.

Trends in use of Tenure Protection Allowance

For information about the use of the Tenure Protection Allowance, see *The Statistical Report for the Year Ending June 2004*.

Special Transfer Allowance

What costs were covered?

This allowance covered the same costs as a Tenure Protection Allowance.

Special Transfer Allowance provided ongoing assistance to those who:

- had previously qualified for a Tenure Protection Allowance
- lost that entitlement when they either:
 - moved from their HNZN properties, or
 - continued to live in their ex-state rental homes after they had been sold by HNZN.

Entitlement to a Tenure Protection Allowance was lost whether tenants moved to another HNZN property or to a property rented from a private landlord.

Special Transfer Allowance was introduced on 1 October 1996.

Who could receive a Special Transfer Allowance?

Entitlement to a Special Transfer Allowance was restricted to clients who had:

- been living in state rental homes on 1 October 1992
- previously received a Tenure Protection Allowance.

The number receiving a Special Transfer Allowance decreased between 2006 and 2010

During this period, the number of Special Transfer Allowance recipients decreased from 86 to 37. This reflected attrition from the original group of clients who were eligible for an allowance.

During this period, almost all recipients of a Special Transfer Allowance were receiving New Zealand Superannuation

This reflected the high proportion of allowance recipients who were aged 65 years or over.

No Special Transfer Allowance has been granted since 2007/2008

This followed three years when between one and three allowances were granted annually. These were low numbers compared with earlier years. This reflected attrition from the original group of clients who were eligible for an allowance.

Between 2005/2006 and 2009/2010, the combined annual expenditure on Tenure Protection Allowance and Special Transfer Allowance was under half a million dollars a year

These low levels of expenditure reflected:

- the reintroduction of income-related rents in November 2000
- the related abolition of the Tenure Protection Allowance programme.

Away from Home Allowance

What costs are covered?

An Away from Home Allowance provides assistance 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 calculated in a similar manner to that for an Accommodation Supplement. It is calculated as 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 depend on where the young person is living).

All accommodation costs must be verified when applying for an Away from Home Allowance.

Who can receive an Away from Home Allowance?

For an Away from Home Allowance to be paid, the client must be:

- the principal caregiver for the young person
- entitled to receive Family Tax Credits for the young person.

In addition, the young person must be living away from home in order 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.

Trends in the number receiving an Away from Home Allowance

The number of clients receiving an Away from Home Allowance decreased between 2009 and 2010

During this period, the number of clients receiving an Away from Home Allowance decreased from 63 to 41.

The number receiving an allowance increased between 2006 and 2009.

Between 2008 and 2010, recipients of an Away from Home Allowance became less likely to be in working families

Sixty-six percent of clients receiving an allowance in 2010 were not receiving New Zealand Superannuation, a pension or a main benefit. This compared with 75% in 2008.

There was a corresponding increase between 2008 and 2010 in the proportion of these clients who were receiving a Domestic Purposes Benefit (from 12% to 24%).

Trends in grants of Away from Home Allowance

The number of grants of this allowance decreased between 2008/2009 and 2009/2010

The number granted an allowance decreased from 126 in 2008/2009 to 99 in 2009/2010.

Between 2007/2008 and 2009/2010, clients granted an allowance became slightly less likely to be in working families

In 2008/2009 and 2009/2010, between 64% and 65% of the Away from Home Allowance grants were to clients who were not receiving New Zealand Superannuation, a pension or a main benefit. This compared with 69% in 2007/2008.

During this period, the proportion of these grants that were to clients receiving a Domestic Purposes Benefit increased from 18% to 26%.

Unsupported Child's Benefit and Orphan's Benefit

What costs are 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.

Who can receive these benefits?

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 that they cannot care for the child, or
- cannot be found.

In both cases, the caregivers must be:

- aged 18 years or over
- available to care for the child for at least 12 months.

No breakdown in the child's family needs to be established 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.

Trends in the number of clients receiving an Unsupported Child's Benefit or an Orphan's Benefit

The number receiving an Unsupported Child's Benefit increased between 2006 and 2010

The number receiving an Orphan's Benefit fluctuated over the same period, but remained low (see table UO.1).

table UO.1: Number of clients receiving an Unsupported Child's Benefit or an Orphan's Benefit

Benefit received at the end of June	Clients receiving an Unsupported Child's Benefit or an Orphan's Benefit ¹				
	2006 Number	2007 Number	2008 Number	2009 Number	2010 Number
Unsupported Child's Benefit	7,125	7,205	7,439	7,716	8,260
Orphan's Benefit	377	382	334	318	326
Total	7,502	7,587	7,773	8,034	8,586

Note

1 Number of clients recorded in SWIFTT as receiving an Unsupported Child's Benefit or an Orphan's Benefit at the end of June.

Around half of the clients receiving these benefits were working families

Between 52% and 55% of clients receiving these benefits during this period were not being paid New Zealand Superannuation, a pension or a main benefit (see table UO.2). Thirteen percent were receiving a Domestic Purposes Benefit and 12% were receiving New Zealand Superannuation.

table UO.2: New Zealand Superannuation, pensions or main benefits paid to clients receiving an Unsupported Child's Benefit or an Orphan's Benefit

New Zealand Superannuation, pension or main benefit paid at the end of June	Clients receiving an Unsupported Child's Benefit or an Orphan's Benefit ¹				
	2006 Number	2007 Number	2008 Number	2009 Number	2010 Number
Unemployment Benefits ²	217	145	97	161	232
Domestic Purposes Benefits ³	1,005	995	1,030	1,083	1,229
Sickness Benefits ⁴	360	369	311	319	415
Invalid's Benefit	671	692	747	786	778
Other main benefits ⁵	390	385	299	263	254
New Zealand Superannuation or Veteran's Pension	961	929	983	1,018	1,092
No New Zealand Superannuation, pension or main benefit	3,898	4,072	4,306	4,404	4,586
Total	7,502	7,587	7,773	8,034	8,586

Notes

- 1 Number recorded in SWIFTT as receiving an Unsupported Child's Benefit or an Orphan's Benefit at the end of June.
- 2 Comprise Unemployment Benefit and Unemployment Benefit – Hardship.
- 3 Comprise Domestic Purposes Benefit – Sole Parent, Domestic Purposes Benefit – Care of Sick or Infirm, Domestic Purposes Benefit – Women Alone and Emergency Maintenance Allowance.
- 4 Comprise Sickness Benefit and Sickness Benefit – Hardship.
- 5 Comprise Unemployment Benefit – Training, Unemployment Benefit – Hardship – Training, Unemployment Benefit – Student – Hardship, Independent Youth Benefit, Widow's Benefit and Emergency Benefit.

Trends in the number 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

A client can receive an Unsupported Child's Benefit or an Orphan's Benefit for more than one child. Therefore, 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.

The number of children assisted by an Unsupported Child's Benefit or an Orphan's Benefit increased between 2006 and 2010

This increase (see table UO.3) reflected growth in the number of children assisted by these benefits who were:

- aged under 14 years, for the increases between 2006 and 2009
- aged 14 years or over, for the increases between 2009 and 2010.

Most of the children assisted by these benefits were aged under 14 years

Between 68% and 70% of the children assisted by these benefits between 2006 and 2010 were aged under 14 years (see table UO.3).

table UO.3: 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 ^{1,2}				
	2006 Number	2007 Number	2008 Number	2009 Number	2010 Number
0–4 years	1,299	1,364	1,467	1,562	1,639
5–9 years	2,736	2,863	2,978	3,050	3,277
10–13 years	2,862	2,929	3,002	3,070	3,180
14–17 years	3,133	3,127	3,121	3,279	3,717
18 years or over	117	121	104	128	132
Total	10,147	10,404	10,672	11,089	11,945

Notes

- 1 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.

Trends in the proportion of children aged under 18 years assisted by an Unsupported Child's Benefit or an Orphan's Benefit

Between 2006 and 2010, children under 18 years became slightly more likely to be assisted by an Unsupported Child's Benefit or an Orphan's Benefit

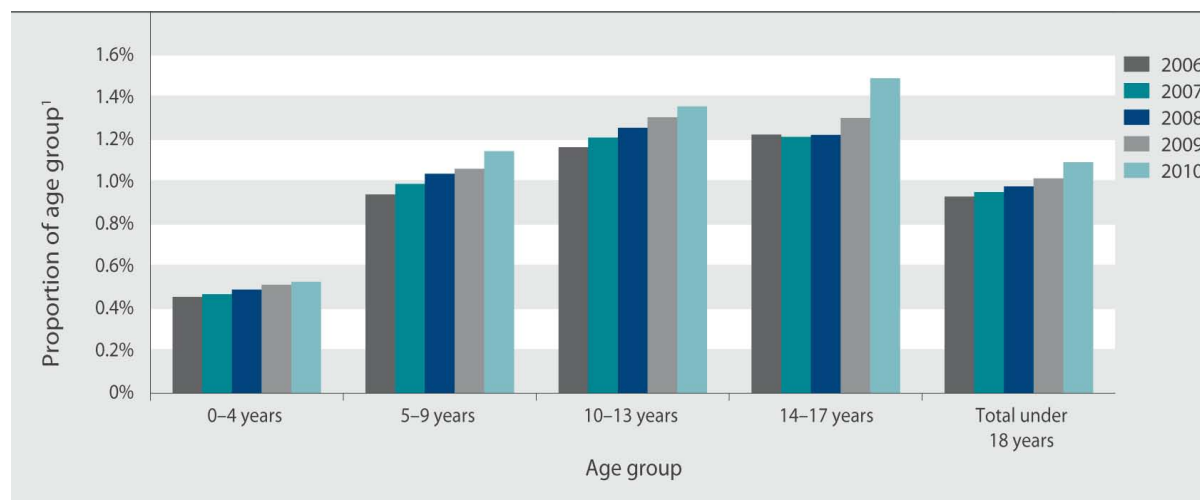
This increase (see figure UO.1) reflected:

- the requirement that children assisted by these benefits be in the long-term care of the client
- the increase between 2008 and 2010 in the number receiving a main benefit.

During this period, older children were more likely than younger children to be assisted by these benefits

Between 2006 and 2010, 10–17 year olds were more likely than younger children to be assisted by these benefits (see figure UO.1).

figure UO.1: Proportions of children aged under 18 years assisted by an Unsupported Child's Benefit or an Orphan's Benefit, by age



Note

1 Proportion shows:

- a. number of children in each age group recorded in SWIFTT as being assisted by an Unsupported Child's Benefit or an Orphan's Benefit at the end of June, divided by
- b. Statistics New Zealand's final estimate of the resident population in each age group at the end of June.

See table PP.12 for a summary of the data underlying figure UO.1.

For more information about trends in the use of Unsupported Child's Benefit and Orphan's Benefit, see table OT.2

This table shows trends since 1940 in the number of people receiving an Unsupported Child's Benefit or an Orphan's Benefit.

Trends in grants of Unsupported Child's Benefit and Orphan's Benefit

The number of grants of these benefits fluctuated between 2005/2006 and 2009/2010

This pattern reflected at least in part small fluctuations in the same period in the population of children aged under 18 years (see table UO.4).

A small majority of clients granted these benefits had a dependent child aged under 14 years

Fifty-three percent of clients granted these benefits in 2009/2010 had at least one dependent child aged under 14 years (see table UO.4). This reflected a slight decrease from 56% between 2005/2006 and 2008/2009.

table UO.4: Ages of youngest dependent children cared for by clients 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 ¹				
	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number	2009/2010 Number
0–4 years	593	614	698	714	693
5–9 years	465	471	527	479	492
10–13 years	706	646	792	679	653
14–17 years	1,380	1,346	1,605	1,453	1,621
18 years or over	2	5	15	2	6
Unspecified	1	0	0	0	0
Not applicable ²	7	11	11	7	9
Total	3,154	3,093	3,648	3,334	3,474

Notes

- 1 Number of successful applications for an Unsupported Child's Benefit or an 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.

Trends in expenditure on Unsupported Child's Benefit and Orphan's Benefit

Expenditure on these benefits increased between 2005/2006 and 2009/2010

This increase (see table UO.5) largely reflected increases in the number of children covered by the Unsupported Child's Benefit.

Payment rates for these benefits were adjusted during 2006/2007 and 2008/2009. These adjustments also contributed to increases in expenditure on these benefits.

How large were the adjustments made to the payment rate?

All payment rates were increased by \$20 per week in April 2007, replacing the usual annual general inflation adjustment.

In April 2009, the payment rates were increased further as they were aligned with the Foster Care Allowance payment rates.

table UO.5: Combined annual expenditure on Unsupported Child's Benefit and Orphan's Benefit

Year ended June	Expenditure on Unsupported Child's Benefit and Orphan's Benefit^{1,2,3} (\$m)
2005/2006	65
2006/2007	70
2007/2008	81
2008/2009	87
2009/2010	101

Notes

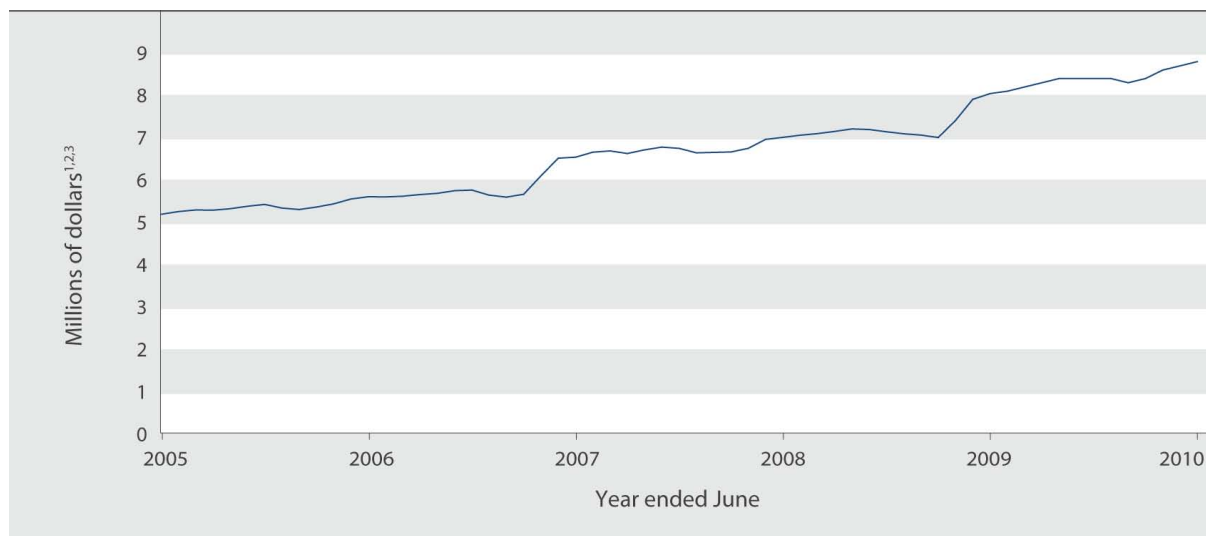
- 1 Expenditure on Unsupported Child's Benefit and Orphan's Benefit in years ended June, including expenditure on other supplementary benefits received by clients receiving an Unsupported Child's Benefit or an Orphan's Benefit.
- 2 Expenditure figures shown are adjusted to payment periods based on a standard 30-day month and smoothed using a two-month moving average. Unsupported Child's Benefit and Orphan's Benefit are not subject to taxation.
- 3 Expenditure data in this table differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

Expenditure on Unsupported Child's Benefit and Orphan's Benefit showed seasonal variations between 2005/2006 and 2009/2010

During this period, expenditure on these benefits decreased slightly at the beginning of each calendar year (see figure UO.2). This reflected a seasonal dip in applications in January, combined with ongoing cessations as children turned 18 years of age.

Increases in expenditure in April 2007 and April 2009 reflected the one-off increases in payment rates outlined above.

figure UO.2: Trends in combined monthly expenditure on Unsupported Child's Benefit and Orphan's Benefit



Notes

- 1 Monthly expenditure on Unsupported Child's Benefit and Orphan's Benefit, including expenditure on other supplementary benefits received by clients receiving an Unsupported Child's Benefit or an Orphan's Benefit.
- 2 Expenditure shown is adjusted to payment periods based on a standard 30-day month and smoothed using a two-month moving average. Unsupported Child's Benefit and Orphan's Benefit are not subject to taxation.
- 3 Expenditure data in this graph differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

For more information about expenditure on these benefits, see table OT.5

This table shows trends since 1940 in combined expenditure on Orphan's Benefit and Unsupported Child's Benefit.

Childcare assistance

Childcare assistance available from Work and Income comprises:

- Childcare Subsidy
- OSCAR (Out of School Care and Recreation) Subsidy.

Childcare Subsidy

What costs are covered?

The Childcare Subsidy programme assists 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 per week if:

- they are in employment, in training, or participating in an activity approved by Work and Income
- they or their child have a disability or serious illness.

Other people can receive a Childcare Subsidy for up to nine hours per week.

The Childcare Subsidy:

- is paid directly to the childcare provider
- provides assistance with the cost of:
 - licensed childcare
 - family day care
 - home-based care
 - care in chartered te kōhanga reo.

Childcare Subsidy cannot be paid for hours that are covered by the free early childhood education hours introduced from July 2007. From 1 July 2007 all three-, four- and five-year-olds were entitled to 20 hours' free childcare per week (a maximum of 6 hours per day).

A subsidy can, however, be used:

- for additional hours, or
- instead of free early childhood education hours.

The combined total of hours covered by free early childcare and the Childcare Subsidy must not exceed the client's maximum entitlement to subsidised hours.

Who can receive a Childcare Subsidy?

A Childcare Subsidy is available for children aged:

- under five years
- between five and six 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.

Note – these statistics show the number of children for whom a Childcare Subsidy was paid

Information in this section indicates 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 subsidy for one or more children.

Trends in the number of children for whom a Childcare Subsidy was paid

The number of children for whom a Childcare Subsidy was paid increased between 2008 and 2010

This increase (see table CC.1) reflected:

- growth in the use of main benefits
- the deteriorating economic conditions facing working people.

This followed a decrease between 2007 and 2008, which reflected the impacts of the introduction of 20 hours' free early childhood education. A number of clients who had received the Childcare Subsidy for fewer than 20 hours per week ceased a subsidy in order to take up free early childhood education.

Two in three of the children for whom a subsidy was paid in recent years were cared for by working families

Between 68% and 70% of the children for whom the subsidy was paid between 2008 and 2010 had caregivers who were not receiving New Zealand Superannuation, a pension or a main benefit (see table CC.1).

Another 28% of these children had caregivers who were receiving a Domestic Purposes Benefit.

table CC.1: New Zealand Superannuation, pensions or main benefits paid to caregivers of children for whom a Childcare Subsidy was paid

New Zealand Superannuation, pension or main benefit paid to carer at the end of June	Children for whom a Childcare Subsidy was paid ¹				
	2006 Number	2007 Number	2008 Number	2009 Number	2010 Number
Unemployment Benefits ²	450	249	129	413	497
Domestic Purposes Benefits ³	13,948	13,768	9,377	10,691	11,306
Sickness Benefits ⁴	542	553	300	404	407
Invalid's Benefit	722	719	518	502	498
Other main benefits ⁵	310	302	180	187	158
New Zealand Superannuation or Veteran's Pension	54	52	30	40	37
No New Zealand Superannuation, pension or main benefit ⁶	20,889	26,909	24,346	25,683	27,783
Total	36,915	42,552	34,880	37,920	40,686

Notes

- 1 Number of children recorded in SWIFTT as being assisted by a Childcare Subsidy at the end of June. Please note that the timing of this extraction may have been altered in some years shown, to avoid school holiday periods.
- 2 Comprise Unemployment Benefit and Unemployment Benefit – Hardship.
- 3 Comprise Domestic Purposes Benefit – Sole Parent, Domestic Purposes Benefit – Care of Sick or Infirm, Domestic Purposes Benefit – Women Alone and Emergency Maintenance Allowance.
- 4 Comprise Sickness Benefit and Sickness Benefit – Hardship.
- 5 Comprise Unemployment Benefit – Training, Unemployment Benefit – Hardship – Training, Unemployment Benefit – Student – Hardship, Independent Youth Benefit, Widow's Benefit and Emergency Benefit.
- 6 Includes clients entitled to a Childcare Subsidy through receiving an Unsupported Child's Benefit or an Orphan's Benefit.

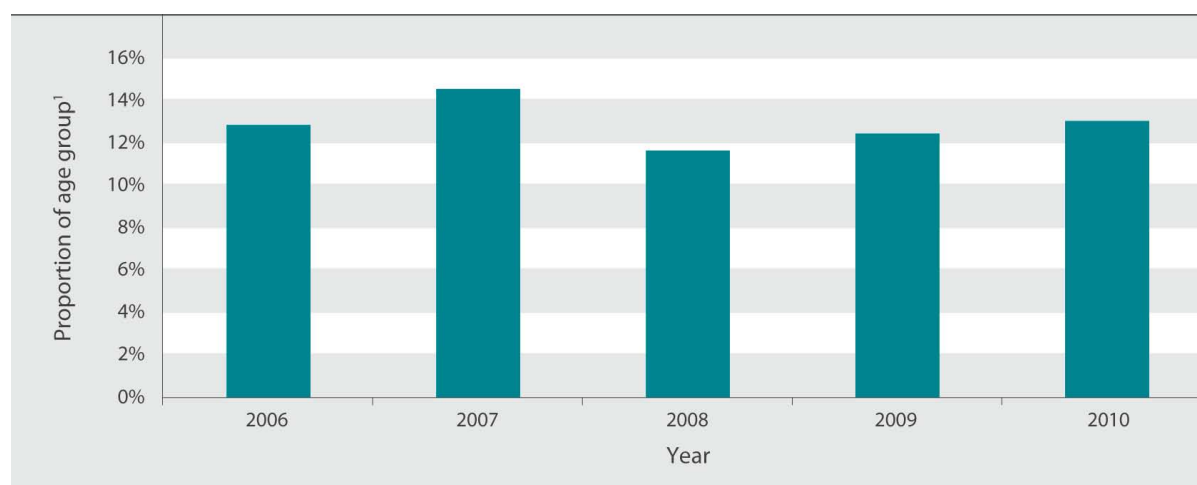
Trends in the proportion of children aged under five years for whom a Childcare Subsidy was paid

Between 2008 and 2010, children under five years became slightly more likely to be assisted by a Childcare Subsidy

This increase (see figure CC.1) reflected the combined impact of the economic recession on:

- the number of people receiving a main benefit
- the use of the Childcare Subsidy by working families.

This followed a decrease between 2007 and 2008. This decrease reflected the impacts of the introduction of 20 hours' free early childhood education. As outlined above, many clients receiving the Childcare Subsidy for fewer than 20 hours per week ceased doing so during this period in order to take up 20 hours' free early childhood education.

figure CC.1: Proportions of children aged under five years assisted by a Childcare Subsidy**Note**

1 Proportion shows:

- a. number of children aged under five years recorded in SWIFTT as being assisted by a Childcare Subsidy at the end of June, divided by
- b. Statistics New Zealand's final estimate of the resident population aged under five years at the end of June.

See table PP.13 for a summary of the data underlying figure CC.1.

Trends in grants of Childcare Subsidy

The number of grants of Childcare Subsidy increased between 2008/2009 and 2009/2010

This increase (see table CC.2) reflected the impacts of the ongoing recession on the number of people requiring financial assistance with the costs of childcare.

The number of grants of Childcare Subsidy decreased between 2006/2007 and 2008/2009 (see table CC.2). This reflected the ongoing implementation of 20 hours' free early childhood education. The availability of free early childhood education reduced demand for the subsidy among clients requiring assistance with the costs of 20 hours or fewer childcare per week.

Nearly two in three of the children for whom a subsidy was granted were cared for by working families

During this period, 62% of the children for whom a subsidy was granted had caregivers who were not receiving New Zealand Superannuation, a pension or a main benefit (see table CC.2). This compares with 57% in 2006/2007 (prior to the implementation of 20 hours free childcare).

There was a corresponding decrease in the proportion of these children who had caregivers receiving a Domestic Purposes Benefits (from 38% to 33%).

The higher proportion of working families between 2007/2008 and 2009/2010 reflected in part the impacts of 20 hours' free early childhood education. Recipients of a main benefit were only eligible for nine hours' subsidy per week per child unless they were employed, in training or undertaking approved work-related activities. This meant that most beneficiaries who took up 20 hours' free early childhood education used it to replace the subsidy.

table CC.2: New Zealand Superannuation, pensions or main benefits paid to caregivers of children for whom a Childcare Subsidy was granted

New Zealand Superannuation, pension or main benefit paid to caregiver when Childcare Subsidy granted	Children for whom a Childcare Subsidy was granted ¹				
	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number	2009/2010 Number
Unemployment Benefits ²	1,046	818	408	564	1,000
Domestic Purposes Benefits ³	23,156	21,988	17,369	16,797	17,393
Sickness Benefits ⁴	817	863	621	672	629
Invalid's Benefit	924	892	712	702	665
Other main benefits ⁵	529	563	416	412	353
New Zealand Superannuation or Veteran's Pension	65	63	51	55	45
No New Zealand Superannuation, pension or main benefit ⁶	26,565	32,864	34,460	32,121	32,434
Total	53,102	58,051	54,037	51,323	52,519

Notes

- 1 Number of successful applications for Childcare Subsidy recorded in SWIFTT during years ended June.
- 2 Comprise Unemployment Benefit and Unemployment Benefit – Hardship.
- 3 Comprise Domestic Purposes Benefit – Sole Parent, Domestic Purposes Benefit – Care of Sick or Infirm, Domestic Purposes Benefit – Women Alone and Emergency Maintenance Allowance.
- 4 Comprise Sickness Benefit and Sickness Benefit – Hardship.
- 5 Comprise Unemployment Benefit – Training, Unemployment Benefit – Hardship – Training, Unemployment Benefit – Student – Hardship, Independent Youth Benefit, Widow's Benefit and Emergency Benefit.
- 6 Includes clients entitled to a Childcare Subsidy through receiving an Unsupported Child's Benefit or an Orphan's Benefit.

Children for whom a subsidy was granted became slightly less likely to have caregivers in employment

Thirty-nine percent of children for whom a subsidy was granted in 2009/2010 had caregivers in employment (see table CC.3). This compared with 43% in 2007/2008.

During this period, another 34% of these children had caregivers who qualified for the subsidy on grounds of low income.

table CC.3: Reasons for granting Childcare Subsidy

Reason Childcare Subsidy granted	Children for whom a Childcare Subsidy was granted ¹				
	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number	2009/2010 Number
Disabled parent	681	846	930	852	870
Parent in employment	17,738	20,768	23,416	21,161	20,575
Child receiving Child Disability Allowance	1,810	2,176	2,232	2,228	2,085
Sibling receiving Child Disability Allowance	1,190	1,540	1,592	1,777	1,498
Sibling in hospital	10	20	18	8	12
Illness or injury	178	172	194	179	176
Parent in training or education	8,441	8,025	7,572	8,228	9,128
Insufficient income	23,054	24,504	18,083	16,890	18,175
Total	53,102	58,051	54,037	51,323	52,519

Note

1 Number of successful applications for Childcare Subsidy recorded in SWIFTT during years ended June.

OSCAR (Out of School Care and Recreation) Subsidy

What costs are covered?

An OSCAR Subsidy pays for out-of-school care for children aged 5–13 years. The subsidy was introduced to assist 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.

Who can receive the subsidy?

In some circumstances, people can receive an OSCAR Subsidy for:

- up to 20 hours per week in term time
- up to 50 hours per 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

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 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 a subsidy was paid

The information given below shows the number of children for whom a subsidy was paid. This information may differ from other published information showing the number of clients receiving or granted a subsidy for one or more children.

Trends in the number of children for whom an OSCAR Subsidy was paid

The number of children for whom an OSCAR Subsidy was paid increased between 2006 and 2010

This increase (see table CC.4) reflected increased use of the subsidy among working people.

This increased use arose from:

- the widened eligibility and increased subsidy levels in this period
- the impacts of the recession on demand from working families for assistance with childcare costs.

Changes in eligibility and subsidy levels increased the attractiveness of the subsidy as well as widening eligibility for it.

More than four in five of the children for whom the subsidy was paid were in working families

Between 2007 and 2010, between 81% and 84% 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.4). Between 15% and 18% had caregivers receiving a Domestic Purposes Benefit.

table CC.4: New Zealand Superannuation, pensions or main benefits paid to caregivers of children for whom an OSCAR Subsidy was paid

New Zealand Superannuation, pension or main benefit paid to caregiver at the end of June	Children for whom an OSCAR Subsidy was paid ¹				
	2006 Number	2007 Number	2008 Number	2009 Number	2010 Number
Unemployment Benefits ²	4	10	10	16	11
Domestic Purposes Benefits ³	1,276	1,352	1,531	1,827	1,780
Sickness Benefits ⁴	7	14	18	25	12
Invalid's Benefit	30	42	59	88	102
Other main benefits ⁵	16	29	26	32	23
New Zealand Superannuation or Veteran's Pension	5	4	5	10	10
No New Zealand Superannuation, pension or main benefit ⁶	4,308	5,924	7,817	8,994	9,952
Total	5,646	7,375	9,466	10,992	11,890

Notes

- 1 Number of children recorded in SWIFTT as being assisted by an OSCAR Subsidy at the end of June.
- 2 Comprise Unemployment Benefit and Unemployment Benefit – Hardship.
- 3 Comprise Domestic Purposes Benefit – Sole Parent, Domestic Purposes Benefit – Care of Sick or Infirm, Domestic Purposes Benefit – Women Alone and Emergency Maintenance Allowance.
- 4 Comprise Sickness Benefit and Sickness Benefit – Hardship.
- 5 Comprise Unemployment Benefit – Training, Unemployment Benefit – Hardship – Training, Unemployment Benefit – Student – Hardship, Independent Youth Benefit, Widow's Benefit and Emergency Benefit.
- 6 Includes clients entitled to an OSCAR Subsidy through receiving an Unsupported Child's Benefit or an Orphan's Benefit.

Trends in the proportion of children aged 5–13 years for whom an OSCAR Subsidy was paid

Between 2009 and 2010, children aged 5–13 years became slightly less likely to be assisted by an OSCAR Subsidy

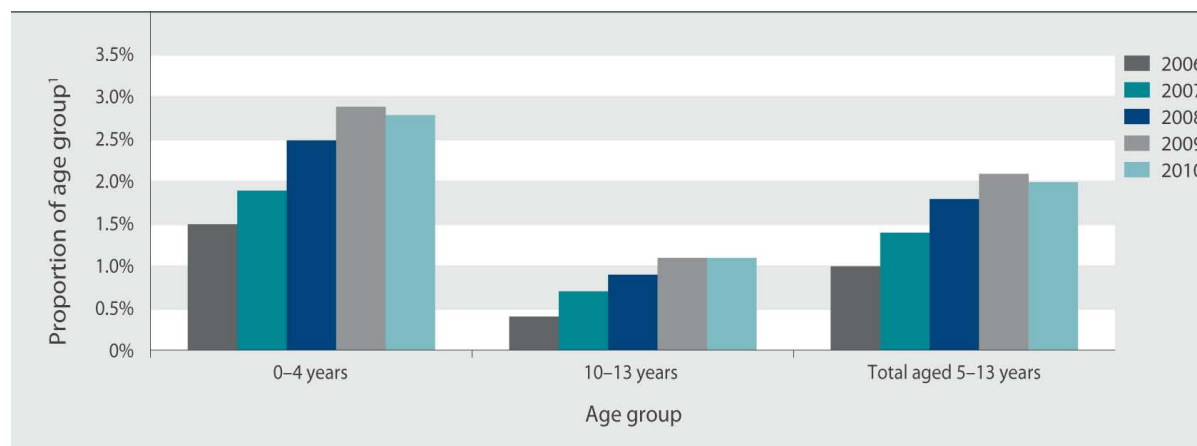
This decrease (see figure CC.2) reflected a rapid increase in the population of children aged 5–13 years, while the number of children assisted by an OSCAR Subsidy increased more slowly.

Between 2006 and 2009, children aged 5–13 years became more likely to be assisted by an OSCAR Subsidy (see figure CC.2). This increase largely reflected the ongoing impacts of widened the eligibility of working families under the Working for Families package.

Younger children were more likely than older children to be assisted by an OSCAR Subsidy

Between 2006 and 2010, children aged 5–9 years were more likely than children aged 10–13 years to be assisted by an OSCAR Subsidy (see figure CC.2).

figure CC.2: Proportions of children aged 5–13 years who were assisted by an OSCAR Subsidy, by age



Note

1 Proportion shows:

- number of children in each age group recorded in SWIFTT as being assisted by an OSCAR Subsidy at the end of June, divided by
- Statistics New Zealand's final estimate of the resident population in each age group at the end of June.

See table PP.14 for a summary of the data underlying figure CC.2.

Trends in grants of OSCAR Subsidy

The number of grants of OSCAR Subsidy decreased between 2008/2009 and 2009/2010

This decrease (see table CC.5) largely reflected the reduced use of the subsidy by working families. This may have reflected the impacts of increasing work opportunities as the economy recovered from the recession.

The number of grants of OSCAR Subsidy increased between 2005/2006 and 2008/2009.

Four in five of the children for whom an OSCAR Subsidy was granted were cared for by working families...

Between 2007/2008 and 2009/2010, 80% of children for whom an OSCAR Subsidy had been granted had caregivers who were receiving no New Zealand Superannuation, pension or main benefit (see table CC.5).

table CC.5: New Zealand Superannuation, pensions or main benefits paid to caregivers of children for whom an OSCAR Subsidy was granted

New Zealand Superannuation, pension or main benefit paid to caregivers when OSCAR Subsidy granted	Children for whom an OSCAR Subsidy was granted ¹				
	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number	2009/2010 Number
Unemployment Benefits ²	22	22	35	55	99
Domestic Purposes Benefits ³	6,573	6,387	6,684	7,477	7,194
Sickness Benefits ⁴	37	89	125	163	165
Invalid's Benefit	131	244	302	489	506
Other main benefits ⁵	104	137	135	129	178
New Zealand Superannuation or Veteran's Pension	12	12	28	52	63
No New Zealand Superannuation, pension or main benefit ⁶	14,950	20,730	29,254	33,738	32,974
Total	21,829	27,621	36,563	42,103	41,179

Notes

- 1 Number of successful applications for an OSCAR Subsidy recorded in SWIFTT during years ended June.
- 2 Comprise Unemployment Benefit and Unemployment Benefit – Hardship.
- 3 Comprise Domestic Purposes Benefit – Sole Parent, Domestic Purposes Benefit – Care of Sick or Infirm, Domestic Purposes Benefit – Women Alone and Emergency Maintenance Allowance.
- 4 Comprise Sickness Benefit and Sickness Benefit – Hardship.
- 5 Comprise Unemployment Benefit – Training, Unemployment Benefit – Hardship – Training, Unemployment Benefit – Student – Hardship, Independent Youth Benefit, Widow's Benefit and Emergency Benefit.
- 6 Includes clients entitled to an OSCAR Subsidy through receiving an Unsupported Child's Benefit or an Orphan's Benefit.

... and a similar proportion had caregivers who were in employment

Eighty-two percent of the children for whom a subsidy was granted in 2009/2010 had caregivers in employment (see table CC.6). This compared with 85% in 2007/2008.

table CC.6: Reasons for granting OSCAR Subsidy

Reason OSCAR Subsidy granted	Children for whom an OSCAR Subsidy was granted ¹				
	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number	2009/2010 Number
Caregiver in employment	18,033	23,018	31,208	35,342	33,788
Caregiver in training or education	3,796	4,603	5,355	6,761	7,391
Total	21,829	27,621	36,563	42,103	41,179

Note

1 Number of successful applications for an OSCAR Subsidy recorded in SWIFTT during years ended June.

Trends in combined expenditure on Childcare Subsidy and OSCAR Subsidy

The combined expenditure on Childcare Subsidy and OSCAR Subsidy increased between 2005/2006 and 2009/2010

This increase (see table CC.7) reflected the impacts of an increased number receiving these subsidies. These increases occurred because of:

- widened eligibility for subsidies under the Working for Families package
- a further increase in April 2009 in the income below which a subsidy could be received.
- increased birth rates between 2006 and 2008
- increased use of subsidies by recipients of Domestic Purposes Benefits (from 2007/2008) and by working families.

The slowdown of growth in 2007/2008 reflected the impacts of the introduction of 20 hours per week of free early childhood education for three- and four-year-olds. This reduced the number receiving a Childcare Subsidy, as clients previously receiving a Childcare Subsidy for fewer than 20 hours per week substituted free early childhood education. It also reduced expenditure for those using more than 20 hours of childcare, as payments now only covered the hours in excess of 20 per week.

The impacts of the Working for Families package included:

- an increase in October 2005 in the hourly rates of both subsidies (this was additional to the regular CPI adjustment)
- increased income thresholds in October 2006 and in April 2007 (the first was to make 60% of couples with children eligible based on Census 2001 data, and the second to do so based on Census 2006 data).

table CC.7: Combined annual expenditure on Childcare Subsidy and OSCAR Subsidy

Year ended June	Expenditure on Childcare Subsidy and OSCAR Subsidy ^{1,2,3} (\$m)
2005/2006	111
2006/2007	141
2007/2008	158
2008/2009	166
2009/2010	185

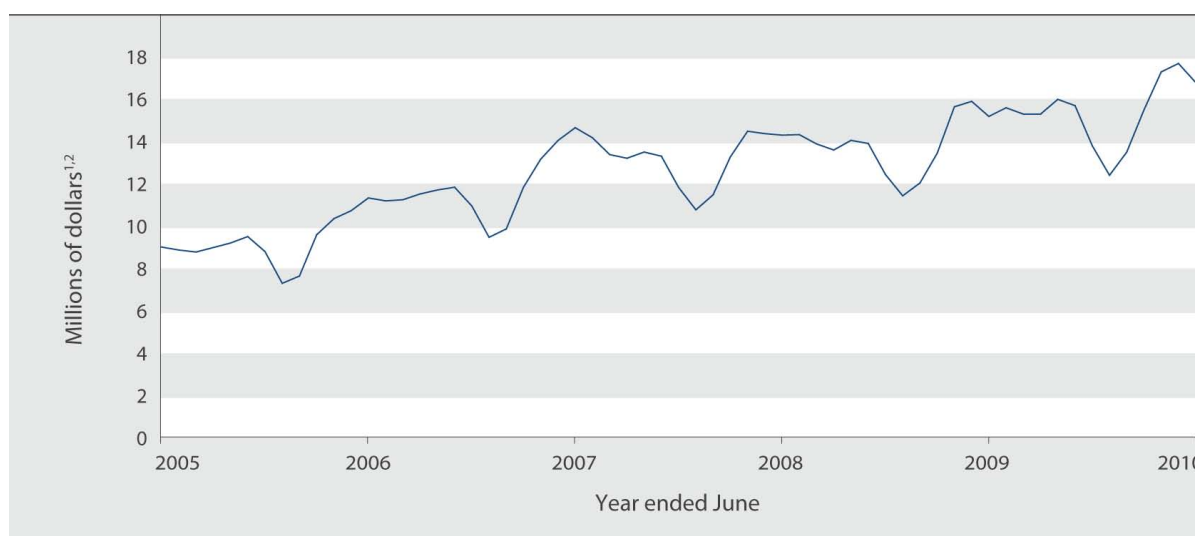
Notes

- 1 Expenditure on Childcare Subsidy and OSCAR Subsidy in years ended June.
- 2 Expenditure shown is adjusted to payment periods based on a standard 22-day working month and smoothed using a two-month moving average. Childcare Subsidy and OSCAR Subsidy are not subject to taxation.
- 3 Expenditure data in this table differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

The combined monthly expenditure on Childcare Subsidy and OSCAR Subsidy showed a strong seasonal pattern

This pattern (see figure CC.3) reflected:

- higher demand for this assistance during the school/academic year
- a decrease in demand in the summer vacation period.

figure CC.3: Combined monthly expenditure on Childcare Subsidy and OSCAR Subsidy

Notes

- 1 Expenditure is adjusted to payment periods based on a standard 22-day working month and smoothed using a two-month moving average. Childcare Subsidy and OSCAR Subsidy are not subject to taxation.
- 2 Expenditure data in this graph differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

Disability Allowance

What costs are 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 that are 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 Disability Assistance Programme ensured the continuity of Disability Allowance payments to people who failed the income test for a Disability Allowance owing to the 1 April 2000 increase in payment rates for New Zealand Superannuation and Veteran's Pension.

This programme preserved the entitlement of these people to assistance equivalent to a Disability Allowance. The programme ceased after income thresholds for a Disability Allowance were increased from April 2001.

The statistics below on Disability Allowance combines information on Disability Allowance, Disability Allowance – Telephone Support and the Disability Assistance Programme.

Who can receive a Disability Allowance?

A Disability Allowance is available to people who have a disability that:

- is likely to last at least six months
- means that 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, but
- would lose their entitlement to a subsidy if they were assessed under the Disability Allowance criteria effective from 1 April 1999.

No-one has been eligible to receive assistance under the Disability Assistance Programme since income thresholds for Disability Allowance were raised in April 2001.

Income and residency tests

Income and residency tests apply.

Trends in the number of people 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 increased between 2006 and 2010

This increase (see table DA.1) reflected a combination of:

- increases in the number of clients receiving New Zealand Superannuation and a main benefit (particularly Invalid's Benefit and Sickness Benefits)
- the ongoing nature of the costs faced by people for whom an allowance is paid.

During this period, growth in the number for whom a Disability Allowance was paid was broadly in line with growth in the population.

Around one in two of the people assisted by a Disability Allowance were receiving New Zealand Superannuation

During this period, between 49% and 52% of the people assisted by an allowance were receiving New Zealand Superannuation (see table DA.1). Between 23% and 25% were receiving an Invalid's Benefit.

table DA.1: New Zealand Superannuation, pensions or main benefits paid to clients assisted by a Disability Allowance, or to their caregivers

New Zealand Superannuation, pension or main benefit paid when Disability Allowance granted	People for whom a Disability Allowance was paid ¹				
	2006 Number	2007 Number	2008 Number	2009 Number	2010 Number
Unemployment Benefits ²	2,320	1,403	921	1,961	2,952
Domestic Purposes Benefits ³	18,114	16,961	16,930	19,206	20,781
Sickness Benefits ⁴	21,515	21,235	19,941	24,215	27,465
Invalid's Benefit	52,191	54,923	58,992	60,357	60,531
Other main benefits ⁵	5,920	5,938	5,426	5,213	4,923
New Zealand Superannuation or Veteran's Pension	121,805	123,981	124,330	127,066	129,678
No New Zealand Superannuation, pension or main benefit ⁶	5,855	6,773	7,055	7,414	7,933
Total	227,720	231,214	233,595	245,432	254,263

Notes

- 1 Number of clients recorded in SWIFTT as being assisted by a Disability Allowance at the end of June.
- 2 Comprise Unemployment Benefit and Unemployment Benefit – Hardship.
- 3 Comprise Domestic Purposes Benefit – Sole Parent, Domestic Purposes Benefit – Care of Sick or Infirm, Domestic Purposes Benefit – Women Alone and Emergency Maintenance Allowance.
- 4 Comprise Sickness Benefit and Sickness Benefit – Hardship.
- 5 Comprise Unemployment Benefit – Training, Unemployment Benefit – Hardship – Training, Unemployment Benefit – Student – Hardship, Independent Youth Benefit, Widow's Benefit and Emergency Benefit.
- 6 Includes clients entitled to a Disability Allowance through receiving an Unsupported Child's Benefit or an Orphan's Benefit.

Trends in the proportion of the New Zealand population assisted by a Disability Allowance

Between 2008 and 2010, the proportion of New Zealanders assisted by a Disability Allowance rose slightly

This increase (see figure DA.1) reflected the increased use of main benefits during this period, particularly Sickness Benefits and Invalid's Benefit.

This proportion was relatively stable between 2006 and 2008, with Disability Allowance being paid to around 5% of the New Zealand population (see figure DA.1). The stability of this trend reflected the long-term nature of many of the treatment-related costs faced by clients receiving an allowance.

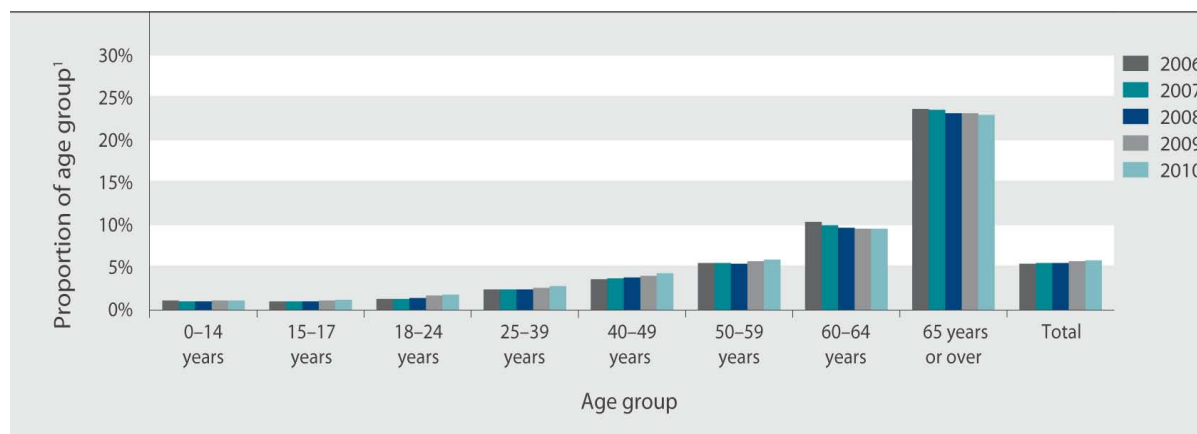
People assisted by a Disability Allowance were most likely to be aged 60 years or over

Between 2006 and 2010, people aged 60 years or over were significantly more likely than younger people to be assisted by an allowance (see figure DA.1). This reflected the impacts of ageing on the incidence of long-term and permanent health and disability issues.

Between 2006 and 2010, the likelihood of receiving a Disability Allowance:

- trended downward among people aged 60 years or over
- remained stable or trended upward for younger age groups and for the population as a whole.

figure DA.1: Proportions of the New Zealand population assisted by a Disability Allowance, by age



Note

1 Proportion shows:

- number of people in each age group recorded in SWIFTT as being assisted by a Disability Allowance at the end of June, divided by
- Statistics New Zealand's final estimate of the resident population in each age group at the end of June.

See table PP.15 for a summary of the data underlying figure DA.1.

Trends in grants of Disability Allowance

The number of grants of Disability Allowances increased between 2005/2006 and 2009/2010

This increase (see table DA.2) largely reflected growth in the number receiving Sickness Benefits and Unemployment 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

During this period, between 40% and 44% of these grants assisted clients who were receiving an Invalid's Benefit or Sickness Benefit, or were dependants of a caregiver receiving one of those benefits (see table DA.2). The proportion granted to people receiving New Zealand Superannuation decreased from 29% to 24% in the same period.

table DA.2: New Zealand Superannuation, pensions or main benefits paid to clients assisted by a Disability Allowance granted or paid to their caregivers

New Zealand Superannuation, pension or main benefit paid when Disability Allowance granted	Grants of Disability Allowances ¹				
	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number	2009/2010 Number
Unemployment Benefits ²	4,073	3,126	2,638	4,115	5,978
Domestic Purposes Benefits ³	9,692	9,169	9,868	10,726	10,680
Sickness Benefits ⁴	19,180	19,218	19,802	22,645	24,119
Invalid's Benefit	11,663	13,505	14,894	11,609	11,146
Other main benefits ⁵	3,636	3,405	3,374	3,249	3,263
New Zealand Superannuation or Veteran's Pension	22,047	21,203	20,060	20,787	20,744
No New Zealand Superannuation, pension or main benefit ⁶	7,133	8,053	8,228	8,379	8,980
Total	77,424	77,679	78,864	81,510	84,910

Notes

- 1 Number of successful applications for Disability Allowance recorded in SWIFTT during years ended June.
- 2 Comprise Unemployment Benefit and Unemployment Benefit – Hardship.
- 3 Comprise Domestic Purposes Benefit – Sole Parent, Domestic Purposes Benefit – Care of Sick or Infirm, Domestic Purposes Benefit – Women Alone and Emergency Maintenance Allowance.
- 4 Comprise Sickness Benefit and Sickness Benefit – Hardship.
- 5 Comprise Unemployment Benefit – Training, Unemployment Benefit – Hardship – Training, Unemployment Benefit – Student – Hardship, Independent Youth Benefit, Widow's Benefit and Emergency Benefit.
- 6 Includes clients entitled to a Disability Allowance through receiving an Unsupported Child's Benefit or an Orphan's Benefit.

Trends in expenditure on Disability Allowance

Annual expenditure on Disability Allowance increased between 2005/2006 and 2009/2010

This increase (see table DA.3) reflected:

- increases in the number of recipients
- patterns in the levels of assistance being provided.

The slower growth between 2005/2006 and 2007/2008 (compared with growth between 2007/2008 and 2009/2010) reflected a combination of:

- the progressive rollout of the Primary Health Care Strategy. This strategy included higher subsidies for doctor visits and prescription charges, which led to some reductions in average rates of Disability Allowance paid
- reduced use of the allowance by recipients of Unemployment Benefits, Domestic Purposes Benefits and Sickness Benefits, which outweighed increased use by working families.

The accelerated growth in expenditure between 2007/2008 and 2009/2010 also reflected patterns in the number who were receiving a Disability Allowance. There were rapid increases in this period in the number receiving allowances who were being paid Unemployment Benefits, Domestic Purposes Benefits and Sickness Benefits.

table DA.3: Annual expenditure on Disability Allowance

Year ended June	Expenditure on Disability Allowance ^{1,2,3} (\$m)
2005/2006	264
2006/2007	272
2007/2008	279
2008/2009	292
2009/2010	309

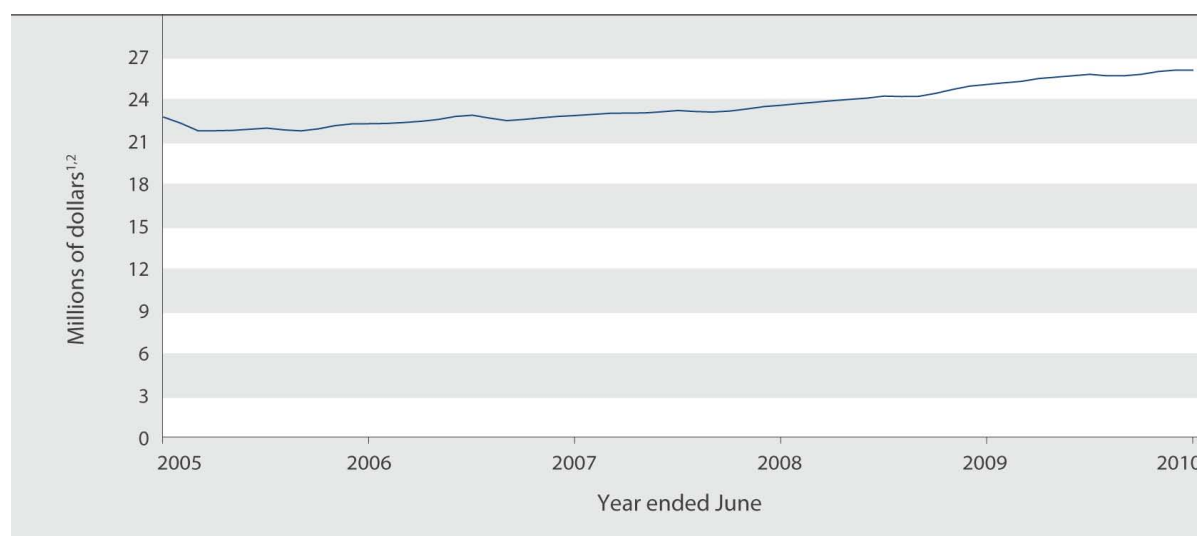
Notes

1. Expenditure on Disability Allowance in years ended June.
2. Expenditure shown is adjusted to payment periods based on a standard 30-day month and smoothed using a two-month moving average. Disability Allowance is not subject to taxation.
3. Expenditure data in this table differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

The monthly expenditure on Disability Allowance between 2005/2006 and 2009/2010 showed no marked seasonal changes

The transfer of payments for vocational services in 2005/2006 showed as a short-term drop in monthly Disability Allowance expenditure in early 2005/2006 (see figure DA.2).

table DA.2: Monthly expenditure on Disability Allowance



Notes

- 1 Expenditure is adjusted to payment periods based on a standard 30-day month and smoothed using a two-month moving average. Disability Allowance is not subject to taxation.
- 2 Expenditure data in this graph differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

Child Disability Allowance

What costs are 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 2006 and 2010, 15% of children assisted by a Child Disability Allowance were also assisted by a Disability Allowance.

Who can receive a Child Disability Allowance?

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 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 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 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.

Trends in the number of children assisted by a Child Disability Allowance

Note – the statistics reflect the number of children assisted by an allowance

Statistics in this section reflect the number of children for whom a Child Disability Allowance was paid. This information may differ from other published information showing the number of clients receiving an allowance. Clients may have been receiving an allowance covering one or more children.

The number of children assisted by a Child Disability Allowance decreased between 2009 and 2010

This decrease (see table CD.1) largely reflected the reduced use of the allowance by working families. This reflected a combination of:

- an increased number of clients not retaining their allowance owing to parents not confirming that their children still met the eligibility criteria for the allowance
- reductions in the proportion of applications for the allowance being granted following the administrative reforms from mid-2008.

The number of children assisted by a Child Disability Allowance increased between 2006 and 2009 (see table CD.1). These increases reflected:

- the growing number of children for whom an allowance was granted
- operational changes in April 2007
- the long-term nature of the conditions these children have.

Four in five of the children assisted by an allowance were aged under 14 years

Between 2006 and 2010, around 82% of the children assisted by an Allowance were aged under 14 years (see table CD.1). This included between 21% and 23% who were aged under five years.

table CD.1: Ages of children assisted by a Child Disability Allowance

Age of child at the end of June	Children assisted by a Child Disability Allowance ¹				
	2006 Number	2007 Number	2008 Number	2009 Number	2010 Number
0–4 years	8,236	8,898	9,865	10,308	9,326
5–9 years	12,201	13,173	14,717	15,481	14,741
10–13 years	9,643	10,420	11,419	12,118	11,810
14–17 years	6,028	6,547	7,052	7,727	7,838
18 years or over	99	107	132	133	168
Total	36,207	39,145	43,185	45,767	43,883

Note

¹ Number of children recorded in SWIFTT as being assisted by a Child Disability Allowance at the end of June.

Three in five of the children assisted by an allowance were cared for by working families

During the same period, between 60% and 63% of the children assisted by a Child Disability Allowance had caregivers who were not receiving New Zealand Superannuation, a pension or a main benefit (see table CD.2). Another 28% to 30% of these children had caregivers who were receiving a Domestic Purposes Benefit.

table CD.2: New Zealand Superannuation, pensions or main benefits paid to caregivers of children assisted by a Child Disability Allowance

Type of pension or main benefit paid to caregivers at the end of June	Children assisted by a Child Disability Allowance ¹				
	2006 Number	2007 Number	2008 Number	2009 Number	2010 Number
Unemployment Benefits ²	462	291	250	661	746
Domestic Purposes Benefits ³	10,598	10,950	11,950	13,212	12,956
Sickness Benefits ⁴	831	865	809	970	940
Invalid's Benefit	1,860	1,995	2,219	2,197	1,928
Other main benefits ⁵	448	456	418	418	322
New Zealand Superannuation or Veteran's Pension	167	193	232	284	287
No New Zealand Superannuation, pension or main benefit ⁶	21,841	24,395	27,307	28,025	26,704
Total	36,207	39,145	43,185	45,767	43,883

Notes

- 1 Number of children recorded in SWIFT as being assisted by a Child Disability Allowance at the end of June.
- 2 Comprise Unemployment Benefit and Unemployment Benefit – Hardship.
- 3 Comprise Domestic Purposes Benefit – Sole Parent, Domestic Purposes Benefit – Care of Sick or Infirm, Domestic Purposes Benefit – Women Alone and Emergency Maintenance Allowance.
- 4 Comprise Sickness Benefit and Sickness Benefit – Hardship.
- 5 Comprise Unemployment Benefit – Training, Unemployment Benefit – Hardship – Training, Unemployment Benefit – Student – Hardship, Independent Youth Benefit, Widow's Benefit and Emergency Benefit.
- 6 Includes clients entitled to a Child Disability Allowance through receiving an Unsupported Child's Benefit or an Orphan's Benefit.

Trends in the proportion of children aged under 18 years who were assisted by a Child Disability Allowance

Between 2009 and 2010, children under 18 years became slightly less likely to be assisted by a Child Disability Allowance

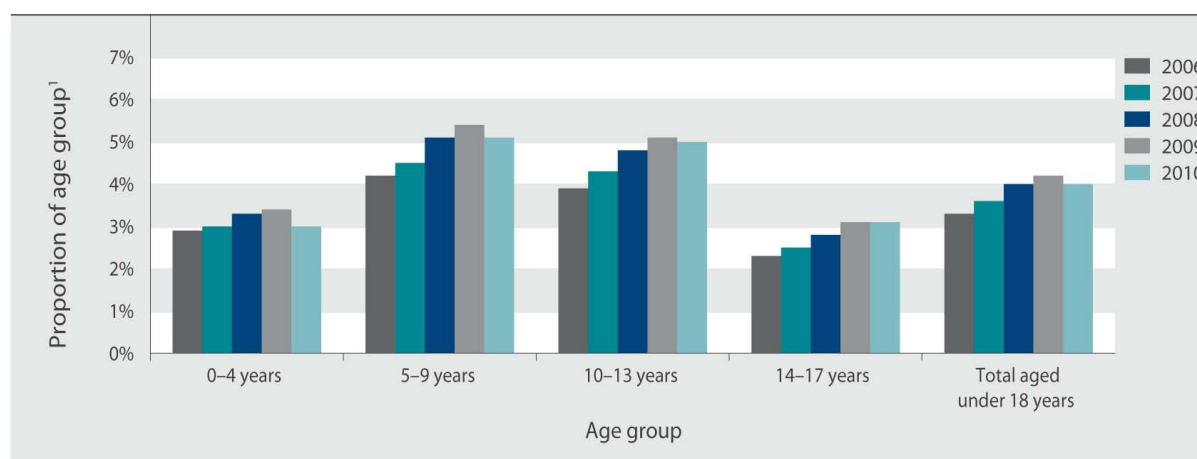
This decrease (see figure CD.1) reflected the reduced use of the allowance in this period.

The proportion of children assisted by an allowance increased between 2006 and 2009 (see figure CD.1). This also reflected changes in use of the allowance.

Children aged 5–13 years were more likely than other children to be assisted by an allowance

Between 2006 and 2010, children aged 5–13 years were more likely than other children aged less than 18 years to be assisted by an allowance.

figure CD.1: Proportions of children aged under 18 years assisted by a Child Disability Allowance, by age



Note

1 Proportion shows:

- number of children in each age group recorded in SWIFTT as being assisted by a Child Disability Allowance at the end of June, divided by
- Statistics New Zealand's final estimate of the resident population in each age group at the end of June.

See table PP.16 for a summary of the data underlying figure CD.1.

Trends in grants of Child Disability Allowance

The number of grants of Child Disability Allowance decreased markedly between 2008/2009 and 2009/2010

This decrease (see table CD.3) reflected at least in part administrative changes introduced from July 2008.

The number of grants of the allowance increased between 2005/2006 and 2007/2008, then remained relatively stable between 2007/2008 and 2008/2009.

About one in two of the children for whom an allowance was granted was cared for by a working family

Between 2005/2006 and 2009/2010, between 52% and 55% of the children for whom an allowance was granted had caregivers receiving no New Zealand Superannuation, pension or main benefit (see table CD.3).

During the same period, between 34% and 36% had caregivers who were receiving a Domestic Purposes Benefit.

table CD.3: New Zealand Superannuation, pensions or main benefits paid to caregivers of children for whom a Child Disability Allowance was granted

New Zealand Superannuation, pension or main benefit paid when Child Disability Allowance granted	Children for whom a Child Disability Allowance was granted ¹				
	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number	2009/2010 Number
Unemployment Benefits ²	224	192	133	214	267
Domestic Purposes Benefits ³	3,515	3,490	3,750	3,735	3,163
Sickness Benefit ⁴	326	344	366	387	277
Invalid's Benefit	383	461	496	469	368
Other main benefits ⁵	144	147	157	137	111
New Zealand Superannuation or Veteran's Pension	41	47	58	67	48
No New Zealand Superannuation, pension or main benefit ⁶	5,042	5,338	6,067	5,891	4,707
Total	9,675	10,019	11,027	10,900	8,941

Notes

1 Number of successful applications for Child Disability Allowances recorded in SWIFTT during years ended June.

2 Comprise Unemployment Benefit and Unemployment Benefit – Hardship.

3 Comprise Domestic Purposes Benefit – Sole Parent, Domestic Purposes Benefit – Care of Sick or Infirm, Domestic Purposes Benefit – Women Alone and Emergency Maintenance Allowance.

4 Comprise Sickness Benefit and Sickness Benefit – Hardship.

5 Comprise Unemployment Benefit – Training, Unemployment Benefit – Hardship – Training, Unemployment Benefit – Student – Hardship, Independent Youth Benefit, Widow's Benefit and Emergency Benefit.

6 Includes clients entitled to a Child Disability Allowance through receiving an Unsupported Child's Benefit or an Orphan's Benefit.

Trends in expenditure on Child Disability Allowance

The annual expenditure on Child Disability Allowances increased between 2005/2006 and 2009/2010

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

- growth in the number of children assisted by an allowance
- cost of living adjustments to the levels of allowance being provided.

The flattening of growth in expenditure in 2009/2010 reflected reductions in the number receiving an allowance.

table CD.4: Annual expenditure on Child Disability Allowance

Year ended June	Expenditure on Child Disability Allowance ^{1,2,3} (\$m)
2005/2006	69
2006/2007	76
2007/2008	86
2008/2009	96
2009/2010	101

Notes

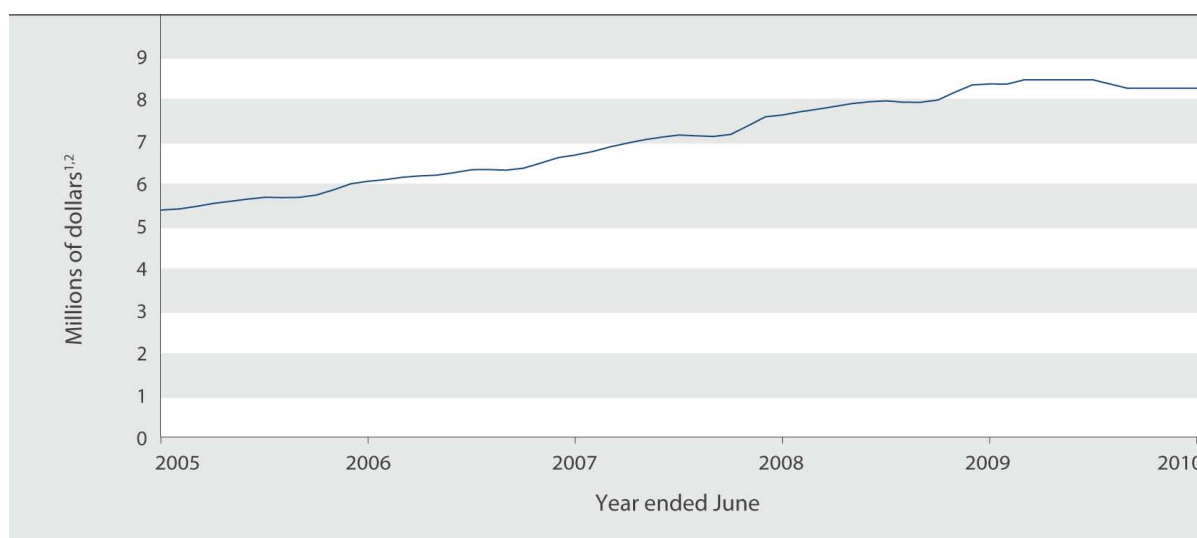
- 1 Expenditure on Child Disability Allowances in years ended June.
- 2 Expenditure shown is adjusted to payment periods based on a standard 30-day month and smoothed using a two-month moving average. Child Disability Allowance is not subject to taxation.
- 3 Expenditure data in this table differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

The monthly expenditure on Child Disability Allowance showed a degree of seasonal variation between 2005/2006 and 2009/2010

During this period, growth in the monthly expenditure on Child Disability Allowance flattened in January and February (see figure CD.2). This reflected fewer new grants in January, combined with cancellations of the allowance for those who had reached the age of 18 years during the year.

Figure CD.2 shows the flattening of growth in expenditure on Child Disability Allowance during 2009/2010, which resulted from a reduced number receiving the allowance.

figure CD.2: Monthly expenditure on Child Disability Allowance



Notes

- 1 Expenditure is adjusted to payment periods based on a standard 30-day month and smoothed using a two-month moving average. Child Disability Allowance is not subject to taxation.
- 2 Expenditure data in this graph differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

Training Incentive Allowance

What costs are 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 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 education and training included in an individual's Personal Development and Employment Plan. Personal Development and Employment Plans were introduced on 10 March 2003 for people receiving a Domestic Purposes Benefit or a Widow's Benefit.

Who can receive a Training Incentive Allowance?

The 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 were required to be involved in courses that:

- attracted Student Achievement Component funding or other government funding, or
- were explicitly specified courses that were considered to meet quality and relevance criteria but were not Student Achievement Component funded.

Quality and relevance criteria for courses were specified by the Tertiary Education Commission's quality and relevance standards for Student Loans and Student Allowances. Courses that met these criteria but were 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, in order 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 the 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 not be paid to people who have completed degrees in the previous five years can be relaxed when applicants intend to undertake employment-related courses that are less than 12 weeks long.

From 2007, new allowances granted were restricted to courses that attracted Student 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.

Note – Training Incentive Allowance statistics cannot be compared with figures in Statistical Reports prior to 2007

Since 2007, statistics in the annual *Statistical Report* on the number of 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 annual *Statistical Reports* prior to 2007:

- were for fiscal years (ended 30 June)
- showed the number of clients granted an ongoing allowance, but excluded allowances received as one-off payments.

These changes were made because:

- the entitlement to an allowance is based on calendar years
- policies and processes are updated on a calendar-year basis.

The changes better ensure that statistics on the use of the allowance clearly reflect the impact of any changes in policies or processes.

Trends in the number of clients receiving a Training Incentive Allowance

The number receiving a Training Incentive Allowance decreased

The number of clients receiving an allowance on one or more occasions in a calendar year decreased between 2005 and 2009 (see table TI.1).

This decrease slowed after 2007 (table TI.1), reflecting a combination of:

- the policy changes introduced in 2007
- increases in the number receiving a Domestic Purposes Benefit or a Widow's Benefit, rather than the decreases seen between 2005 and 2007.

Around four in five recipients of an allowance were receiving a Domestic Purposes Benefit

Between 2005 and 2009, between 80% and 84% of these clients were receiving a Domestic Purposes Benefit (see table TI.1).

table TI.1: Type of main benefit 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 ¹				
	Year ended December 2005 Number	Year ended December 2006 Number	Year ended December 2007 Number	Year ended December 2008 Number	Year ended December 2009 Number
Domestic Purposes Benefits ²	16,046	13,635	10,695	10,120	9,898
Invalid's Benefit	2,870	2,634	2,261	2,435	2,255
Widow's Benefit	299	253	191	157	144
Total	19,215	16,522	13,147	12,712	12,297

Notes

1 Number of clients with one or more successful applications for a Training Incentive Allowance recorded in SWIFTT during years ended December.

2 Comprise Domestic Purposes Benefit – Sole Parent, Domestic Purposes Benefit – Care of Sick or Infirm, Domestic Purposes Benefit – Women Alone and Emergency Maintenance Allowance.

Trends in expenditure on Training Incentive Allowance

The annual expenditure on Training Incentive Allowance fluctuated around a relatively unchanged level between the 2007 and 2009 calendar years

This pattern reflected a combination of:

- patterns in the number receiving a Domestic Purposes Benefit (decreasing or stable from 2007 to 2008, then rising in 2009)
- the restriction of new allowances granted from mid-2009 to courses below level 4 in the National Qualifications Framework. This resulted in a sharp reduction in late 2009 in the number of allowances granted.

Expenditure on Training Incentive Allowances decreased between the 2005 and 2007 calendar years (see table TI.2).

This reduction reflected a combination of:

- decreases in the number of allowances granted, which reflected a decreased number receiving a Domestic Purposes Benefit
- the restriction of new allowances granted from 2007 to courses that attracted Student Component Funding.

table TI.2: Annual expenditure on Training Incentive Allowance

Year ended December	Expenditure on Training Incentive Allowance^{1,2,3} (\$m)
2005	35
2006	31
2007	27
2008	27
2009	27

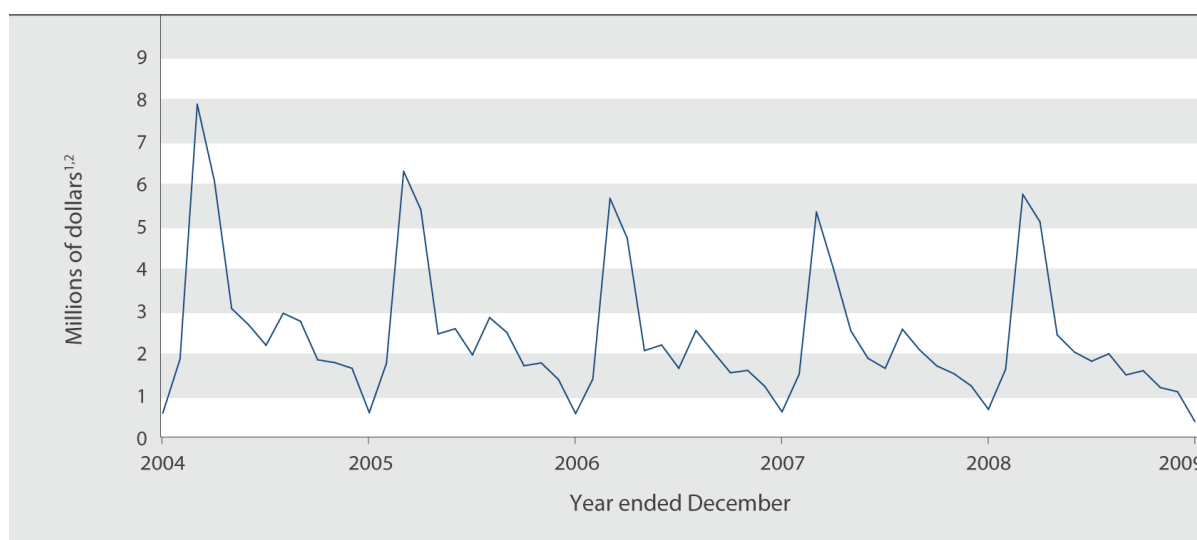
Notes

- 1 Expenditure on Training Incentive Allowances in years ended December. Please note that reports prior to that for the year ended June 2007 showed expenditure on Training Incentive Allowances in years ended June.
- 2 Expenditure data shown has not been smoothed. Training Incentive Allowance is not subject to taxation.
- 3 Expenditure data in this table differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance to clients.

The monthly expenditure on Training Incentive Allowance showed a strong seasonal pattern

Peaks at the beginning of each calendar year (see figure TI.1) arose because most allowance expenditure occurred when lump-sum payments were made at the beginning of the academic year to cover tuition fees.

figure TI.1: Monthly expenditure on Training Incentive Allowance



Notes

- 1 Expenditure on Training Incentive Allowance has not been smoothed. Training Incentive Allowance is not subject to taxation.
- 2 Expenditure data in this graph differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

Temporary Additional Support and Special Benefit

Temporary Additional Support

Which costs are 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 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 in situations 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 that are 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.

Who can receive Temporary Additional Support?

To receive Temporary Additional Support, clients must:

- be aged 16 years or over
- meet asset and residency tests
- ensure that they are receiving all other assistance available to them
- show that they face a deficiency of income after having taken reasonable steps to reduce their costs and increase their incomes.

Special Benefit

Prior to 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 their 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. This was done when clients continued to receive a Special Benefit after having had their entitlements to assistance reviewed.

Trends in the number of clients receiving Temporary Additional Support or a Special Benefit

The number receiving Temporary Additional Support or a Special Benefit increased between 2007 and 2010

This increase (see table TS.1) reflected a combination of:

- an increased number receiving a main benefit between 2008 and 2010
- increased use of Temporary Additional Support by users of Domestic Purposes Benefits, Sickness Benefits and Invalid's Benefit.

This followed a decrease between 2006 and 2007.

Since its implementation in 2006, Temporary Additional Support has become the dominant form of ongoing hardship assistance paid

Temporary Additional Support accounted for 83% of the combined assistance paid in 2010 (see table TS.1). This compared with 58% in 2008 and 9% in 2006. This increase reflected the ongoing transition towards delivering this assistance to most clients through Temporary Additional Support rather than through Special Benefit.

table TS.1: Number of clients receiving Temporary Additional Support or a Special Benefit

Type of assistance received at the end of June	Clients receiving Temporary Additional Support or a Special Benefit ¹				
	2006 Number	2007 Number	2008 Number	2009 Number	2010 Number
Temporary Additional Support	4,555	14,834	24,466	44,301	53,021
Special Benefit ²	44,778	26,085	18,048	13,715	10,889
Total	49,333	40,919	42,514	58,016	63,910

Notes

1 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.

Two in five of these clients were receiving a Domestic Purposes Benefit, and a similar number were receiving a Sickness Benefit or Invalid's Benefit

In 2009 and 2010, 37% of clients receiving this assistance were receiving a Domestic Purposes Benefit (see table TS.2). Another 39% were receiving a Sickness Benefit or an Invalid's Benefit.

Between 2008 and 2010, the proportion of these clients who were receiving an Unemployment Benefit rose from 4% to 13% (see table TS.2).

table TS.2: New Zealand Superannuation, pensions or main benefits paid to clients receiving Temporary Additional Support or a Special Benefit

New Zealand Superannuation, pension or main benefit paid at the end of June	Clients receiving Temporary Additional Support or a Special Benefit ^{1,2}				
	2006 Number	2007 Number	2008 Number	2009 Number	2010 Number
Unemployment Benefits ³	2,746	1,593	1,575	6,669	8,031
Domestic Purposes Benefits ⁴	21,754	16,907	17,181	21,387	23,565
Sickness Benefit ⁵	7,695	7,107	7,311	10,451	12,156
Invalid's Benefit	11,415	10,587	11,283	12,339	12,569
Other main benefits ⁶	1,969	1,701	1,646	2,126	2,080
New Zealand Superannuation or Veteran's Pension	1,199	1,246	1,527	2,133	2,519
No New Zealand Superannuation, pension or main benefit ⁷	2,555	1,778	1,991	2,911	2,990
Total	49,333	40,919	42,514	58,016	63,910

Notes

- 1 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 Comprise Unemployment Benefit and Unemployment Benefit – Hardship.
- 4 Comprise Domestic Purposes Benefit – Sole Parent, Domestic Purposes Benefit – Care of Sick or Infirm, Domestic Purposes Benefit – Women Alone and Emergency Maintenance Allowance.
- 5 Comprise Sickness Benefit and Sickness Benefit – Hardship.
- 6 Comprise Unemployment Benefit – Training, Unemployment Benefit – Hardship – Training, Unemployment Benefit – Student – Hardship, Independent Youth Benefit, Widow's Benefit and Emergency Benefit.
- 7 Includes clients entitled to Temporary Additional Support or a Special Benefit through receiving an Unsupported Child's Benefit or an Orphan's Benefit.

Trends in the proportion of people aged 18 years or over receiving Temporary Additional Support or a Special Benefit

Between 2008 and 2010, people aged 18 years or over became more likely to be receiving Temporary Additional Support or a Special Benefit

This increase (see figure TS.1) reflected the increased use of main benefits, particularly Domestic Purposes Benefits, Sickness Benefits and Invalid's Benefit. These increases in turn reflected in part the impacts of the economic recession between 2008 and 2010.

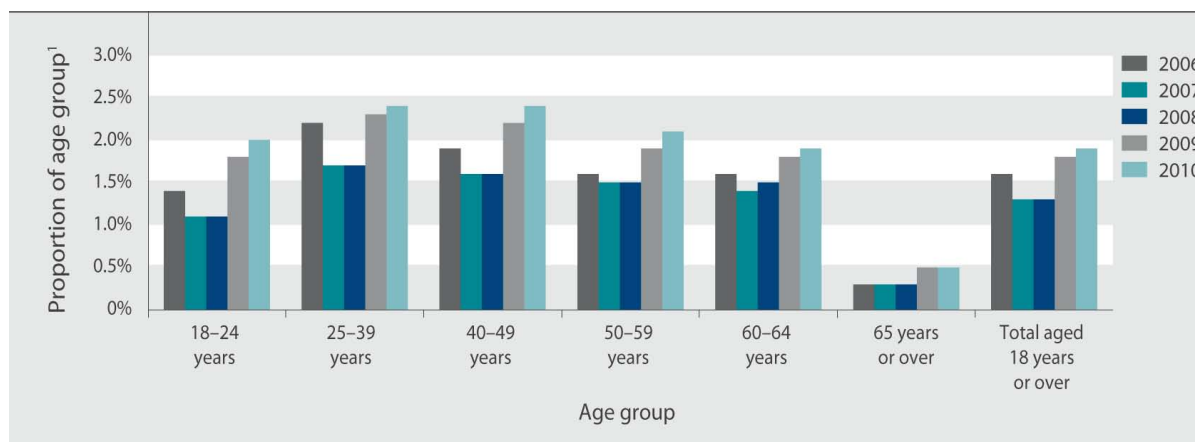
This increase followed a decrease between 2006 and 2007 (see figure TS.1), which reflected:

- decreased numbers receiving a Domestic Purposes Benefit
- increases in assistance with childcare costs available under Working for Families.

The use of Temporary Additional Support or Special Benefit decreased with age among those aged 25 years or over

People aged 65 years or over were much less likely than younger people to be receiving Temporary Additional Support or a Special Benefit during this period (see figure TS.1).

figure TS.1: Proportions of people aged 18 years or over receiving Temporary Additional Support or a Special Benefit, by age



Note

1 Proportion shows:

- number of people in each age group recorded in SWIFTT as receiving Temporary Additional Support or a Special Benefit at the end of June, divided by
- Statistics New Zealand's final estimate of the resident population in each age group at the end of June.

See table PP.17 for a summary of the data underlying figure TS.1.

Trends in the number of clients granted Temporary Additional Support or a Special Benefit

The number of clients granted Temporary Additional Support or a Special Benefit increased steeply between 2006/2007 and 2009/2010

This increase (see table TS.3) reflected a combination of:

- an increased number receiving a main benefit, reflecting at least in part the impacts of the economic recession
- increasing hardship among low-income working families
- increased use of Temporary Additional Support among clients receiving Domestic Purposes Benefits, Sickness Benefits and Invalid's Benefit.

Virtually all of the ongoing hardship assistance granted in recent years was Temporary Additional Support

Between 2007/2008 and 2009/2010, 99% of the ongoing hardship assistance granted was Temporary Additional Support (see table TS.3). This reflected the restricted eligibility for Special Benefit from 1 April 2006.

table TS.3: Number of clients granted Temporary Additional Support or a Special Benefit

Type of hardship assistance granted	Clients granted Temporary Additional Support or a Special Benefit ¹				
	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number	2009/2010 Number
Temporary Additional Support	5,756	64,210	113,365	199,244	264,660
Special Benefit ²	57,146	7,569	3,911	2,140	1,352
Total	62,902	71,779	117,276	201,384	266,012

Notes

- 1 Number of successful applications for Temporary Additional Support or a Special Benefit recorded in SWIFTT during years ended June.
- 2 Special Benefits shown are restricted to ongoing (weekly) Special Benefits and exclude Special Benefit lump sums.

Over half of this assistance was granted to clients receiving a Domestic Purposes Benefit or a Sickness Benefit

Around a third (33%–36%) of the clients granted this assistance between 2007/2008 and 2009/2010 were receiving a Domestic Purposes Benefit (see table TS.4).

During the same period, the proportion of these clients who were receiving (see table TS.4):

- a Sickness Benefit or Invalid's Benefit decreased from 38% to 34%
- an Unemployment Benefit increased from 9% to 18%.

table TS.4: New Zealand Superannuation, pensions or main benefits paid to clients granted Temporary Additional Support or a Special Benefit

New Zealand Superannuation, pension or main benefit paid when Temporary Additional Support or Special Benefit granted	Clients granted Temporary Additional Support or a Special Benefit ^{1,2}				
	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number	2009/2010 Number
Unemployment Benefits ³	10,219	9,201	10,066	26,502	47,178
Domestic Purposes Benefits ⁴	20,964	24,035	42,071	70,125	88,436
Sickness Benefit ⁵	12,501	17,213	28,135	44,139	56,669
Invalid's Benefit	6,727	8,615	17,498	27,863	33,228
Other main benefits ⁶	3,187	3,669	5,665	9,417	11,223
New Zealand Superannuation or Veteran's Pension	981	1,510	3,058	6,496	8,908
No New Zealand Superannuation, pension or main benefit ⁷	8,323	7,536	10,783	16,842	20,370
Total	62,902	71,779	117,276	201,384	266,012

Notes

- 1 Number of successful applications for Temporary Additional Support or a Special Benefit recorded in SWIFTT during years ended June.
- 2 Information on Special Benefits shown is restricted to ongoing (weekly) Special Benefits, and excludes payments of Special Benefit lump sums.
- 3 Comprise Unemployment Benefit and Unemployment Benefit – Hardship.
- 4 Comprise Domestic Purposes Benefit – Sole Parent, Domestic Purposes Benefit – Care of Sick or Infirm, Domestic Purposes Benefit – Women Alone and Emergency Maintenance Allowance.
- 5 Comprise Sickness Benefit and Sickness Benefit – Hardship.
- 6 Comprise Unemployment Benefit – Training, Unemployment Benefit – Hardship – Training, Unemployment Benefit – Student – Hardship, Independent Youth Benefit, Widow's Benefit and Emergency Benefit.
- 7 Includes clients entitled to Temporary Additional Support or a Special Benefit through receiving an Unsupported Child's Benefit or an Orphan's Benefit.

Trends in annual expenditure on Temporary Additional Support and Special Benefit

The combined expenditure on Temporary Additional Support and Special Benefit increased between 2007/2008 and 2009/2010

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

- changes in the use of main benefits (particularly Domestic Purposes Benefits)
- the impacts (from 2008/2009) of changes in economic conditions on working families.

The combined expenditure on Temporary Additional Support and Special Benefit decreased between 2005/2006 and 2007/2008 (see table TS.5). This decrease reflected a combination of:

- decreased numbers receiving main benefits
- the impacts of increased assistance available under Working for Families.

table TS.5: Combined annual expenditure on Temporary Additional Support and Special Benefit

Year ended June	Expenditure on Temporary Additional Support and Special Benefit ^{1,2,3} (\$m)
2005/2006	160
2006/2007	132
2007/2008	123
2008/2009	151
2009/2010	182

Notes

- 1 Expenditure on Temporary Additional Support and Special Benefit in years ended June.
- 2 Expenditure shown is adjusted to payment periods based on a standard 30-day month and smoothed using a two-month moving average. Temporary Additional Support and Special Benefit are not subject to taxation.
- 3 Expenditure data in this table differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

The monthly expenditure on Temporary Additional Support and Special Benefit showed little seasonal variation

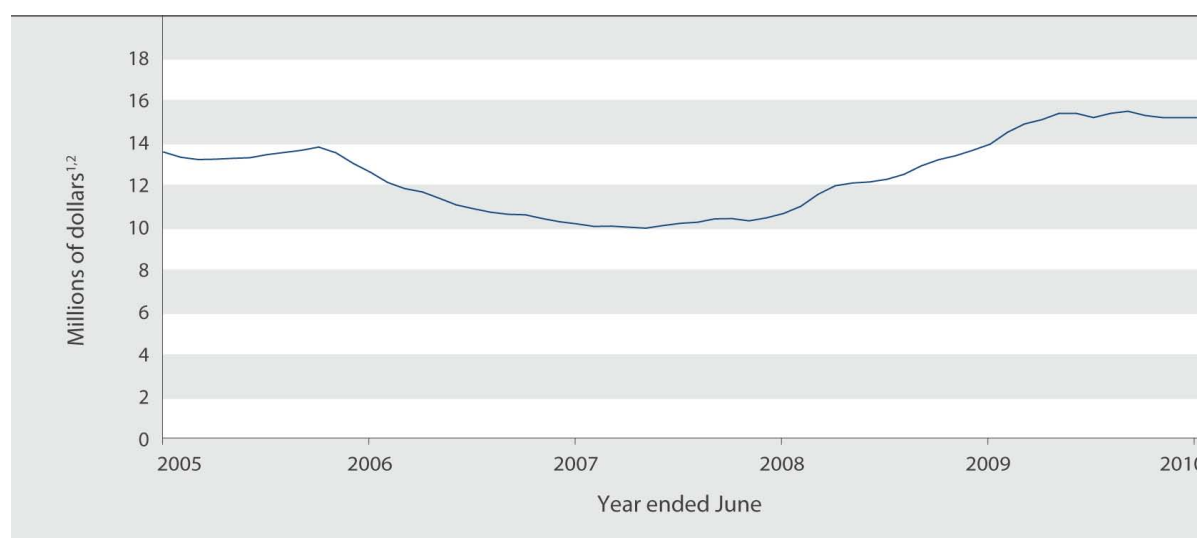
This expenditure (see figure TS.2) tended to follow patterns in:

- the number of people receiving this assistance
- the rate at which assistance was paid.

These patterns in turn reflected factors including:

- the number of clients receiving a Domestic Purposes Benefit
- increased assistance to low-income families available through Working for Families
- the replacement of new Special Benefits with Temporary Additional Support from April 2006.

figure TS.2: Combined monthly expenditure on Temporary Additional Support and Special Benefit



Notes

- 1 Expenditure is adjusted to payment periods based on a standard 30-day month and smoothed using a two-month moving average. Temporary Additional Support and Special Benefit are not subject to taxation.
- 2 Expenditure data in this graph differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

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 had been phased out by 1 January 2011.

What costs were covered?

ReStart consisted of three components:

- ReCover – assistance for families with children if the families were no longer eligible to receive in-work tax credits because of clients' redundancies.
- RePlace – assistance with accommodation costs in addition to the maximum Accommodation Supplement available.
- ReConnect – assistance for clients to re-enter full-time work.

Who could receive ReStart assistance?

To receive ReStart assistance, clients had to have been:

- seeking full-time work
- made redundant from full-time work after 8 November 2008
- working full-time for six months or more prior to being made redundant.

To receive RePlace, clients had to also have been receiving the maximum level of Accommodation Supplement available.

Income and residency tests

Income tests and residency tests applied to ReCover and RePlace.

Payment rates

Up to \$100 per week was available under RePlace, depending on the client's housing costs and other circumstances.

ReCover was paid based on the number of children dependent on the client.

Weekly rates of ReCover assistance that were available from 1 April 2010 are shown in table RR.1.

table RR.1: Weekly payment rates for ReCover assistance (available from 1 April 2010)

Number of dependent children¹	Weekly rate²
1–3 children	\$60.00
4 children	\$75.00
5 children	\$90.00
6 or more children	\$105.00

Notes

1 Number of children in the care of the client.

2 Rates shown are those set by regulation and available from 1 April 2010. The amounts shown are net of tax.

Trends in number receiving ReStart assistance

Note – the number receiving ReCover and RePlace must be treated separately

Some clients (those with dependent children and high accommodation costs) may have been receiving both of these components of the ReStart package. The number receiving each component should not be added to obtain a total number of clients receiving ReStart. Doing so would lead to counting some clients twice.

The number of clients receiving components of the ReStart package decreased between 2009 and 2010

These decreases (see table RR.2 for RePlace statistics and table RR.4 for ReCover statistics) reflected:

- reduced demand for this assistance
- time limits on eligibility for those receiving assistance.

Trends in number receiving RePlace

Nearly two in three clients receiving RePlace in 2009 and 2010 were receiving an Unemployment Benefit

Sixty-four per cent of the clients receiving RePlace in 2009 and 2010 were receiving an Unemployment Benefit (see table RR.2).

During the same period, the proportion of RePlace recipients who were (see table RR.2):

- receiving a Domestic Purposes Benefit increased (from 12% to 18%)
- not receiving any New Zealand Superannuation, pension or main benefit decreased (from 19% to 12%).

table RR.2: New Zealand Superannuation, pensions or main benefits paid to clients receiving RePlace

New Zealand Superannuation, pension or main benefit paid at the end of June	Numbers receiving RePlace Assistance ¹	
	2009 Number	2010 Number
Unemployment Benefits ²	727	152
Domestic Purposes Benefits ³	131	42
Sickness Benefits ⁴	38	9
Invalid's Benefit	3	0
Other main benefits ⁵	17	2
New Zealand Superannuation or Veteran's Pension	3	1
No New Zealand Superannuation, pension or main benefit ⁶	215	28
Total	1,134	234

Notes

- 1 Number of clients recorded in SWIFTT as receiving RePlace assistance at the end of June.
- 2 Comprise Unemployment Benefit and Unemployment Benefit – Hardship.
- 3 Comprise Domestic Purposes Benefit – Sole Parent, Domestic Purposes Benefit – Care of Sick or Infirm, Domestic Purposes Benefit – Women Alone and Emergency Maintenance Allowance.
- 4 Comprise Sickness Benefit and Sickness Benefit – Hardship.
- 5 Comprise Unemployment Benefit – Training, Unemployment Benefit – Hardship – Training, Unemployment Benefit – Student – Hardship, Independent Youth Benefit, Widow's Benefit and Emergency Benefit.
- 6 Includes clients receiving an Unsupported Child's Benefit or an Orphan's Benefit.

The majority of clients receiving RePlace were aged 40–64 years

Sixty-two percent of clients receiving RePlace in 2010 were aged 40–64 years (see table RR.3). This compared with 57% in 2009.

This reflected the impacts of the economic recession on work opportunities available to people in this age group.

table RR.3: Ages of clients receiving RePlace

Age of client at the end of June	Number receiving RePlace Assistance ¹	
	2009 Number	2010 Number
18–24 years	55	8
25–39 years	431	82
40–49 years	378	76
50–59 years	216	53
60–64 years	50	15
65 years or over	4	0
Total	1,134	234

Note

1 Number of clients recorded in SWIFTT as receiving RePlace assistance at the end of June.

Trends in number receiving ReCover

Around half of the clients receiving ReCover were receiving an Unemployment Benefit

In 2010, 47% of ReCover recipients were receiving an Unemployment Benefit (see table RR.4). This compares with 56% in 2009.

During the same period, the proportion of ReCover recipients who were receiving a Domestic Purposes Benefit increased from 27% to 40%.

table RR.4: New Zealand Superannuation, pensions or main benefits paid to clients receiving ReCover

New Zealand Superannuation, pension or main benefit paid at the end of June	Number receiving ReCover Assistance ¹	
	2009 Number	2010 Number
Unemployment Benefits ²	395	66
Domestic Purposes Benefits ³	192	57
Sickness Benefits ⁴	18	3
Invalid's Benefit	4	1
Other main benefits ⁵	12	2
No New Zealand Superannuation, pension or main benefit ⁶	86	12
Total	707	141

Notes

- 1 Number of clients recorded in SWIFTT as receiving ReCover assistance at the end of June.
- 2 Comprise Unemployment Benefit and Unemployment Benefit – Hardship.
- 3 Comprise Domestic Purposes Benefit – Sole Parent, Domestic Purposes Benefit – Care of Sick or Infirm, Domestic Purposes Benefit – Women Alone and Emergency Maintenance Allowance.
- 4 Comprise Sickness Benefit and Sickness Benefit – Hardship.
- 5 Comprise Unemployment Benefit – Training, Unemployment Benefit – Hardship – Training, Unemployment Benefit – Student – Hardship, Independent Youth Benefit, Widow's Benefit and Emergency Benefit.
- 6 Includes clients receiving an Unsupported Child's Benefit or an Orphan's Benefit.

One in two of the clients receiving ReCover was aged 25–39 years

In both 2009 and 2010, 50% of clients receiving ReCover were aged 25–39 years (see table RR.5).

During this period, the proportion of ReCover recipients who were aged 40–49 years increased slightly (from 35% to 39%) (see table RR.5).

table RR.5: Ages of clients receiving ReCover

Age of client at the end of June	Number receiving ReCover Assistance ¹	
	2009 Number	2010 Number
18–24 years	38	2
25–39 years	353	71
40–49 years	245	55
50–59 years	64	11
60–64 years	7	2
Total	707	141

Note

1 Number of clients recorded in SWIFTT as receiving ReCover assistance at the end of June.

Expenditure on the ReStart package

Between December 2008 and June 2010, a combined total of \$6 million was spent on RePlace and ReCover assistance.

Residential Care Subsidy and Residential Support Subsidy

What are these subsidies?

Residential Care Subsidy assists with the costs of residential care for older people.

Residential Support Subsidy assists 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

Who can receive this subsidy?

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 or have dependent children
- aged 50–64 years, be single with no dependent children, and have income assessed at being at or below the relevant threshold, or
- aged 65 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 that was derived from assets.

Clients receiving a 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.

Trends in the number of MSD clients receiving a Residential Care Subsidy

Note – the statistics are restricted to MSD clients

Please note that information in this section 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.

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 increased between 2009 and 2010

This followed a period of relatively stable numbers between 2007 and 2009 (see table RS.1).

Virtually all MSD clients receiving a subsidy were receiving New Zealand Superannuation or a Veteran's Pension...

Between 2006 and 2010, 96% of MSD clients receiving a Residential Care Subsidy were being paid New Zealand Superannuation or a Veteran's Pension (see table RS.1).

table RS.1: New Zealand Superannuation, pensions or main benefits paid to MSD clients receiving a Residential Care Subsidy

Type of pension or main benefit paid at the end of June	MSD clients receiving a Residential Care Subsidy ¹				
	2006 Number	2007 Number	2008 Number	2009 Number	2010 Number
Unemployment Benefits ²	3	0	0	0	0
Domestic Purposes Benefits ³	1	3	3	2	1
Sickness Benefits ⁴	35	27	26	24	22
Invalid's Benefit	290	289	285	290	326
Other main benefits ⁵	220	225	217	234	223
New Zealand Superannuation or Veteran's Pension	17,865	17,587	17,701	17,813	18,370
No New Zealand Superannuation, pension or main benefit ⁶	86	88	97	104	113
Total	18,500	18,219	18,329	18,467	19,055

Notes

- 1 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.
- 2 Comprise Unemployment Benefit and Unemployment Benefit – Hardship.
- 3 Comprise Domestic Purposes Benefit – Sole Parent, Domestic Purposes Benefit – Care of Sick or Infirm, Domestic Purposes Benefit – Women Alone and Emergency Maintenance Allowance.
- 4 Comprise Sickness Benefit and Sickness Benefit – Hardship.
- 5 Comprise Unemployment Benefit – Training, Unemployment Benefit – Hardship – Training, Unemployment Benefit – Student – Hardship, Independent Youth Benefit, Widow's Benefit and Emergency Benefit.
- 6 Includes clients receiving an Unsupported Child's Benefit or an Orphan's Benefit.

...and were aged 65 years or over

Of those receiving a subsidy in this period, around 99% were aged 65 years or over, including 74% who were aged 80 years or over (see table RS.2). Around 26% of these clients were aged 90 years or over, and a similar proportion were aged 85–89 years.

table RS.2: Trends in the ages of MSD clients receiving a Residential Care Subsidy

Age of client at the end of June	MSD clients receiving a Residential Care Subsidy ¹				
	2006 Number	2007 Number	2008 Number	2009 Number	2010 Number
Under 60 years	69	80	59	50	52
60–64 years	166	153	160	149	153
65–69 years	588	612	618	629	626
70–74 years	1,426	1,345	1,350	1,400	1,401
75–79 years	2,620	2,520	2,529	2,490	2,582
80–84 years	4,135	4,139	4,129	4,187	4,155
85–89 years	4,657	4,588	4,708	4,906	5,087
90 years or over	4,839	4,782	4,776	4,656	4,999
Total	18,500	18,219	18,329	18,467	19,055

Note

1 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.

Trends in the proportion of people aged 65 years or over who are MSD clients receiving a Residential Care Subsidy

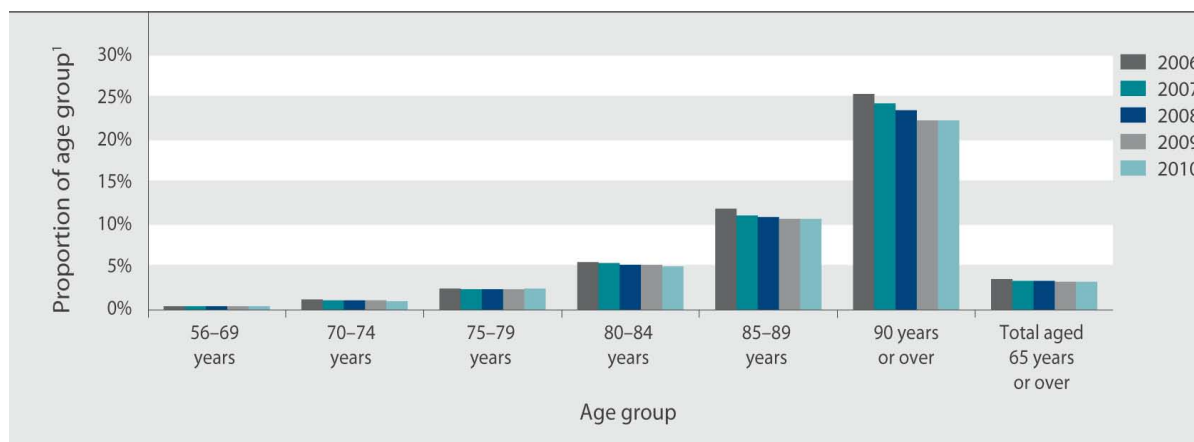
Between 2006 and 2010, a relatively small proportion of people aged 65 or over were MSD clients receiving a Residential Care Subsidy

The likelihood of being an MSD client receiving a subsidy increased steeply with age for those aged 80 years or over (see figure RS.1). This reflected:

- 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 80 years or over who are MSD clients receiving a subsidy decreased between 2006 and 2009.

figure RS.1: Proportions of people aged 65 years or over who were MSD clients receiving a Residential Care Subsidy, by age



Note

1 Proportion shows:

- number of MSD clients in each age group 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, divided by
- Statistics New Zealand's final estimate of the resident population in each age group at the end of June.

See table PP.18 for a summary of the data underlying figure RS.1.

Trends in MSD clients who were 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 prior to the assessments of their financial eligibility for a subsidy.

The number of MSD clients found to be financially eligible for a subsidy increased between 2006/2007 and 2009/2010

This increase accelerated between 2008/2009 and 2009/2010 (see table RS.3).

Virtually all of the clients successfully applying for a subsidy were receiving New Zealand Superannuation or a Veteran's Pension

During this period, 96% of those applying for a Residential Care Subsidy were receiving New Zealand Superannuation or a Veteran's Pension (see table RS.3). This reflected the predominance of those aged 65 years or over among those receiving and applying for the subsidy.

table RS.3: New Zealand Superannuation, pensions or main benefits paid to MSD clients found to be financially eligible for a Residential Care Subsidy

Type of pension or main benefit paid when financial eligibility for Residential Care Subsidy is established	Number of successful applications for a Residential Care Subsidy ¹				
	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number	2009/2010 Number
Unemployment Benefits ²	0	0	0	0	0
Domestic Purposes Benefits ³	0	4	1	0	0
Sickness Benefits ⁴	14	19	7	9	11
Invalid's Benefit	143	105	160	151	228
Other main benefits ⁵	96	92	66	117	132
New Zealand Superannuation or Veteran's Pension	9,807	6,022	6,775	8,209	12,805
No New Zealand Superannuation, pension or main benefit ⁶	60	50	51	56	80
Total	10,120	6,292	7,060	8,542	13,256

Notes

- 1 Number of successful applications for a Residential Care Subsidy recorded in SWIFTT during years ended June. A successful application indicates that the client has been found to be financially eligible for a Residential Care Subsidy.
- 2 Comprise Unemployment Benefit and Unemployment Benefit – Hardship.
- 3 Comprise Domestic Purposes Benefit – Sole Parent, Domestic Purposes Benefit – Care of Sick or Infirm, Domestic Purposes Benefit – Women Alone and Emergency Maintenance Allowance.
- 4 Comprise Sickness Benefit and Sickness Benefit – Hardship.
- 5 Comprise Unemployment Benefit – Training, Unemployment Benefit – Hardship – Training, Unemployment Benefit – Student – Hardship, Independent Youth Benefit, Widow's Benefit and Emergency Benefit.
- 6 Includes clients receiving an Unsupported Child's Benefit or an Orphan's Benefit.

Residential Support Subsidy

Who can receive this subsidy?

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 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.

Trends in the number of MSD clients receiving a Residential Support Subsidy

Note – the statistics are restricted to MSD clients

Please note that information in this section 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 are in a residential service and receiving a Residential Support Subsidy.

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 assessment by a DHB or a health provider.

The number of MSD clients receiving a Residential Support Subsidy increased between 2007 and 2010

Numbers receiving this subsidy were relatively stable between 2006 and 2007 (see table RS.4).

Nearly all MSD clients receiving a Residential Support Subsidy were receiving an Invalid's Benefit

Eighty-seven percent of the MSD clients receiving a Residential Support Subsidy between 2006 and 2010 were receiving an Invalid's Benefit (see table RS.4).

Most of the remainder were receiving New Zealand Superannuation or a Sickness Benefit.

table RS.4: New Zealand Superannuation, pensions or main benefits paid to MSD clients receiving a Residential Support Subsidy

Type of pension or main benefit paid at the end of June	MSD clients receiving a Residential Support Subsidy ¹				
	2006 Number	2007 Number	2008 Number	2009 Number	2010 Number
Unemployment Benefits ²	0	0	0	0	0
Domestic Purposes Benefits ³	13	17	11	13	16
Sickness Benefits ⁴	487	407	408	478	469
Invalid's Benefit	7,374	7,417	7,526	7,619	7,847
Other main benefits ⁵	55	58	53	54	47
New Zealand Superannuation or Veteran's Pension	526	578	620	646	699
No New Zealand Superannuation, pension or main benefit ⁶	0	0	0	3	2
Total	8,455	8,477	8,618	8,813	9,080

Notes

- 1 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 Comprise Unemployment Benefit and Unemployment Benefit – Hardship.
- 3 Comprise Domestic Purposes Benefit – Sole Parent, Domestic Purposes Benefit – Care of Sick or Infirm, Domestic Purposes Benefit – Women Alone and Emergency Maintenance Allowance.
- 4 Comprise Sickness Benefit and Sickness Benefit – Hardship.
- 5 Comprise Unemployment Benefit – Training, Unemployment Benefit – Hardship – Training, Unemployment Benefit – Student – Hardship, Independent Youth Benefit, Widow's Benefit and Emergency Benefit.
- 6 Includes clients receiving an Unsupported Child's Benefit or an Orphan's Benefit.

Between 2006 and 2010, clients receiving a Residential Support Subsidy became slightly more likely to be aged 40–64 years

Fifty-seven percent of clients receiving a subsidy in 2010 were aged 40–64 years (see table RS.5). This compares with 54% in 2006.

During the same period, the proportion of clients receiving a subsidy who were aged 25–39 years decreased from 30% to 25%.

These changes largely reflected the ageing of clients receiving an Invalid's Benefit.

table RS.5: Trends in the ages of MSD clients receiving a Residential Support Subsidy

Age of client at the end of June	MSD clients receiving a Residential Support Subsidy ¹				
	2006 Number	2007 Number	2008 Number	2009 Number	2010 Number
Under 18 years	79	62	66	48	71
18–19 years	155	161	164	161	131
20–24 years	550	516	526	597	606
25–29 years	640	628	630	665	666
30–34 years	863	763	730	699	660
35–39 years	992	992	998	933	928
40–44 years	1,132	1,084	1,055	1,024	1,047
45–49 years	1,117	1,167	1,173	1,197	1,205
50–54 years	920	951	994	1,035	1,088
55–59 years	779	821	863	921	1,012
60–64 years	587	634	685	761	814
65–69 years	403	426	432	456	476
70–74 years	138	160	188	200	250
75–79 years	65	73	72	71	77
80 years or over	35	39	42	45	49
Total	8,455	8,477	8,618	8,813	9,080

Note

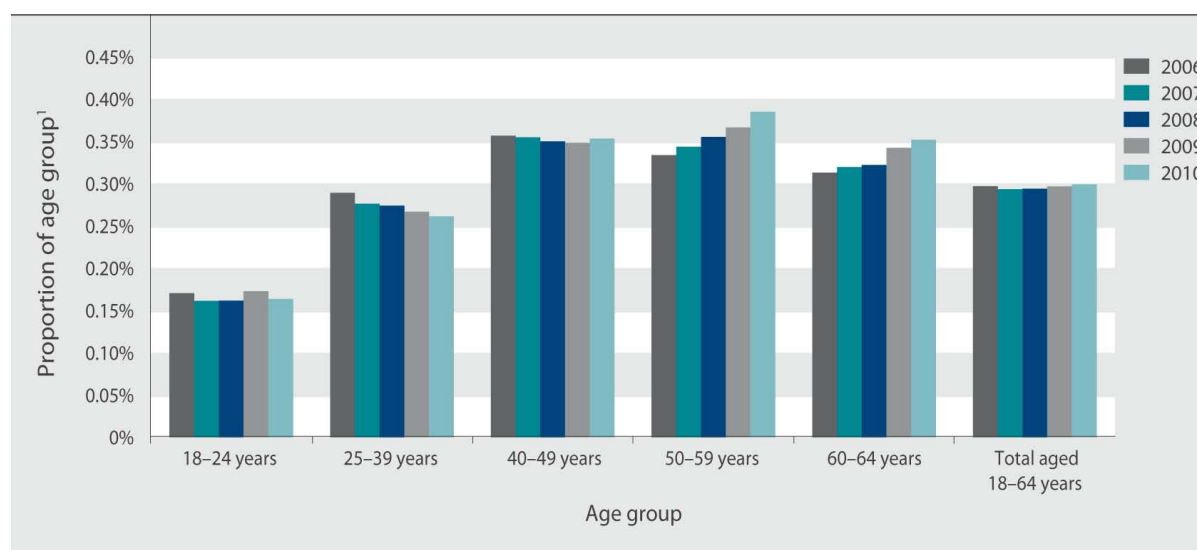
- 1 Number of clients recorded in SWIFTT as having their main benefit or pension (less a personal allowance) paid to a health provider at the end of June under the Residential Support Subsidy scheme.

Trends in the proportion of working-age people who were MSD clients receiving a Residential Support Subsidy

Between 2006 and 2010, a very small proportion of working-age people were MSD clients receiving a Residential Support Subsidy

The likelihood of being a Work and Income client and receiving a subsidy increased for people between 18 and 60, then decreased slightly in the 60–64 year age group (see figure RS.2). This reflected the impact of ageing on the prevalence of disability and health issues requiring residential care.

figure RS.2: Proportions of working-age people who were MSD clients receiving a Residential Support Subsidy³, by age



Note

1 Proportion shows:

- number of MSD clients in each age group 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, divided by
- Statistics New Zealand's final estimate of the resident population in each age group at the end of June.

See table PP.19 for a summary of the data underlying figure RS.2.

Trends in 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 clients being recorded as taking up a Residential Support Subsidy and clients beginning to receive the services being funded.

The number of MSD clients taking up a subsidy decreased slightly between 2007/2008 and 2009/2010

This decrease followed a steep increase between 2006/2007 and 2007/2008 (see table RS.6). That increase largely reflected the increased uptake of Invalid's Benefit as a result of changes introduced in September 2007 in the administration of those benefits.

During this period, clients taking up a subsidy became more likely to be receiving a Sickness Benefit

Forty-four percent of clients taking up a subsidy in 2009/2010 were receiving a Sickness Benefit (see table RS.6). This compared with 32% in 2007/2008.

The proportion of clients taking up a subsidy who were receiving an Invalid's Benefit decreased from 62% to 48% over the same period (see table RS.6).

table RS.6: New Zealand Superannuation, pensions or main benefits paid to MSD clients taking up a Residential Support Subsidy

Type of pension or main benefit paid when Residential Support Subsidy is taken up	Number of clients taking up a Residential Support Subsidy ¹				
	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number	2009/2010 Number
Unemployment Benefits ²	1	2	3	0	2
Domestic Purposes Benefits ³	103	86	96	107	117
Sickness Benefits ⁴	1,416	1,540	1,766	2,069	2,127
Invalid's Benefit	1,522	1,862	3,443	2,464	2,299
Other main benefits ⁵	44	35	40	50	30
New Zealand Superannuation or Veteran's Pension	130	148	203	206	243
No New Zealand Superannuation, pension or main benefit ⁶	0	0	1	6	7
Total	3,216	3,673	5,552	4,902	4,825

Notes

- 1 Number of clients recorded in SWIFTT as taking up a Residential Support Subsidy during years ended June.
- 2 Comprise Unemployment Benefit and Unemployment Benefit – Hardship.
- 3 Comprise Domestic Purposes Benefit – Sole Parent, Domestic Purposes Benefit – Care of Sick or Infirm, Domestic Purposes Benefit – Women Alone and Emergency Maintenance Allowance.
- 4 Comprise Sickness Benefit and Sickness Benefit – Hardship.
- 5 Comprise Unemployment Benefit – Training, Unemployment Benefit – Hardship – Training, Unemployment Benefit – Student – Hardship, Independent Youth Benefit, Widow's Benefit and Emergency Benefit.
- 6 Includes clients receiving an Unsupported Child's Benefit or an Orphan's Benefit.

Hardship assistance

Introduction to 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
- advances on 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 repay recoverable assistance back to Work and Income.

Note – the number receiving benefits and other financial assistance affects the number receiving hardship assistance

Trends in the number receiving hardship assistance are affected by changes in overall incomes and costs faced by individual families. For example, the introduction and expansion of the Working for Families package from October 2004 contributed to a decrease between 2005/2006 and 2006/2007 in the utilisation of hardship assistance by families with children. This occurred as levels of assistance available for childcare costs (eg the Childcare Subsidy and OSCAR Subsidy) rose.

On the other hand, steep increases between 2007/2008 and 2009/2010 in the use of hardship assistance largely reflect the increased use of main benefits over the same period.

Costs covered and eligibility criteria

Special Needs Grants

What costs are covered?

Special Needs Grants are one-off payments made to those who have an immediate or emergency need and who have no other way of paying to meet that need. 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 main benefits and to people who are not.

As well as lump sums 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 asset tests

Residency, income and cash asset tests apply.

Recoverable Assistance Payments

What costs are covered?

These payments were introduced in 1996 to replace most recoverable Special Needs Grants for people who were 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.

Under this programme, 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 assistance with immediate and essential expenses through a Recoverable Assistance Payment.

In approving a 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

In order to receive a 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 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 2010)

Client category	Cash asset limit ¹	Income limit ^{1,2}	Maximum payment ^{1,2}
Single person 16–17 years	\$970.87	\$23,059.92	\$1,178.10
Single person 18 years or over	\$970.87	\$26,503.36	\$1,455.78
Married couple with or without children	\$1,617.73	\$38,494.04	\$2,426.40
Sole parent with 1 child	\$1,617.73	\$32,159.92	\$1,912.50
Sole parent with 2 or more children	\$1,617.73	\$33,882.16	\$1,912.50

Notes

1 Asset limits, income limits and maximum payments applicable from 1 April 2010.

2 Income limits and maximum payments shown are gross of income tax.

Maximum Recoverable Assistance Payments apply for a number of purposes. The maximum payments applicable from 1 April 2010 are shown in table HA.2.

**table HA.2: Maximum Recoverable Assistance Payments for specific purposes
(applicable from 1 April 2010)**

Payment purpose	Status ¹	Maximum payment ²
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	\$44.30
	Client aged 75–79 years	\$18.30
	Client aged 80 years or over	\$59.30
Driver licences – new	Learner licence	\$79.00
	Restricted licence	\$88.20
	Full licence	\$115.10
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		\$20.00
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 Maximum payments shown are applicable from 1 April 2010.

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.

Trends in use of and expenditure on lump-sum hardship assistance

The number of lump-sum hardship assistance payments increased between 2006/2007 and 2009/2010

This increase (see table HA.3) was driven by increases:

- during this period in the use of non-recoverable Special Needs Grants
- between 2007/2008 and 2009/2010 in the use of benefit advances.

These changes reflected:

- an increased number receiving benefits such as the Invalid's Benefit and Domestic Purposes Benefits
- increases in the number receiving other main benefits during 2008/2009, reflecting the impacts of deteriorating economic conditions
- an increased use of benefit advances by working people who were not receiving New Zealand Superannuation, a pension or a main benefit.

Recipients of Domestic Purposes Benefits and Invalid's Benefit have historically been heavy users of lump-sum hardship assistance.

This increase followed decreases between 2005/2006 and 2006/2007.

Around half of the lump-sum hardship assistance payments were non-recoverable Special Needs Grants

Fifty-six percent of the lump-sum hardship assistance payments provided in 2009/2010 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 38%) 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	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number	2009/2010 Number
	Non-recoverable lump-sum hardship assistance¹				
Special Needs Grants (non-recoverable)	376,537	346,177	362,505	526,873	642,612
	Recoverable lump-sum hardship assistance¹				
Special Needs Grants (recoverable)	16,854	17,102	19,982	35,724	35,018
Recoverable Assistance Payments	23,347	24,495	28,315	34,862	34,860
Benefit advances	327,147	304,448	299,552	371,432	434,574
Total recoverable assistance	367,348	346,045	347,849	442,018	504,452
	All lump-sum hardship assistance¹				
Total	743,885	692,222	710,354	968,891	1,147,064

Note

1 Number of lump-sum hardship assistance payments recorded in SWIFTT in years ended June.

Trends in the use of Special Needs Grants and benefit advances

The combined number of Special Needs Grants and benefit advances increased between 2006/2007 and 2009/2010

This increase (see table HA.4) accelerated over 2008/2009 and 2009/2010. It reflected in large part the impacts of the recession on:

- patterns in the number receiving a main benefit
- the increased use of hardship assistance by low-income working families.

This increase followed a decrease between 2005/2006 and 2006/2007.

Nearly two in five recipients of a Special Needs Grant and benefit advance were receiving a Domestic Purposes Benefit

Thirty-seven percent of recipients of Special Needs Grants and benefit advances in 2009/2010 were receiving a Domestic Purposes Benefit (see table HA.4). This compared with 39% in 2006/2007.

Between 29% and 33% of these clients were receiving a Sickness Benefit or Invalid's Benefit.

The proportion of these payments that were made to recipients of an Unemployment Benefit has fluctuated in the past two years.

These changes reflect patterns in the number receiving a main benefit.

table HA.4: New Zealand Superannuation, pensions or main benefits paid to clients receiving a Special Needs Grant or a benefit advance

New Zealand Superannuation, pension or main benefit paid when Special Needs Grant or benefit advance provided	Payments of Special Needs Grants and benefit advances ¹				
	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number	2009/2010 Number
Unemployment Benefits ²	91,288	71,909	51,200	96,798	158,492
Domestic Purposes Benefits ³	291,412	260,275	260,799	346,224	410,680
Sickness Benefits ⁴	101,090	100,369	108,693	150,451	178,374
Invalid's Benefit	110,969	107,643	116,242	144,478	156,953
Other main benefits ⁵	28,177	27,328	26,987	35,550	39,458
New Zealand Superannuation or Veteran's Pension	24,443	24,701	26,968	35,460	43,025
No New Zealand Superannuation, pension or main benefit ⁶	73,159	75,502	91,150	125,068	125,222
Total	720,538	667,727	682,039	934,029	1,112,204

Notes

- 1 Number of Special Needs Grants and benefit advances recorded in SWIFTT in years ended June.
- 2 Comprise Unemployment Benefit and Unemployment Benefit – Hardship.
- 3 Comprise Domestic Purposes Benefit – Sole Parent, Domestic Purposes Benefit – Care of Sick or Infirm, Domestic Purposes Benefit – Women Alone and Emergency Maintenance Allowance.
- 4 Comprise Sickness Benefit and Sickness Benefit – Hardship.
- 5 Comprise Unemployment Benefit – Training, Unemployment Benefit – Hardship – Training, Unemployment Benefit – Student – Hardship, Independent Youth Benefit, Widow's Benefit and Emergency Benefit.
- 6 Includes clients receiving an Unsupported Child's Benefit or an Orphan's Benefit.

Reasons for hardship payments

One in two of the Special Needs Grants and benefit advances provided in 2009/2010 was for food...

Forty-nine percent of Special Needs Grants and benefit advances in 2009/2010 were for food (see table HA.5). This compared with 41% in 2006/2007.

During the same period, the proportion of this assistance paid for 'other emergency situations' decreased (from 37% to 32%). Payments for 'other emergency situations' cover a range of costs, including purchase of furniture and appliances, payment of tenancy bonds, and payment of electricity or gas bills.

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 ¹				
	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number	2009/2010 Number
Advances	8,250	7,546	8,040	10,450	11,522
Disabled civilian amputee ²	77	90	161	162	166
Driver licence	0	0	0	2,884	5,646
Effluent treatment	0	0	0	346	410
Food	297,485	272,514	285,460	432,902	549,204
Funeral grants	15	12	17	29	26
Health-related assistance	14,781	13,727	14,629	17,368	18,907
Home-help payments ²	15	12	42	12	176
Live organ donors (income assistance)	48	41	80	78	76
Medical and associated costs	87,361	83,629	82,822	96,567	110,976
Other emergency situations	262,328	245,339	248,273	321,167	354,874
Payments for goods or services	403	272	324	2	4
People affected by benefit stand-downs	1,627	1,038	548	2,778	3,453
Re-establishment accommodation element	653	658	647	754	746
Re-establishment grants	11,558	12,036	11,480	11,758	11,989
Rural sector (including Civil Defence emergencies and drought relief)	9	6	240	617	556
School education costs	30,943	27,290	26,158	32,206	38,811
Sickness Benefit/Invalid's Benefit assessment travel	234	179	100	145	145
Teen payment	5	0	3	14	5
Terminal benefit arrears ²	770	5	0	2	0
Transfer to New Zealand Superannuation	554	417	166	316	454
Urgent house repairs and maintenance	3,374	2,883	2,787	3,446	4,028
Youth transition	48	33	62	26	30
Total	720,538	667,727	682,039	934,029	1,112,204

Notes

1 Number of Special Needs Grants and benefit advances recorded in SWIFTT in years ended June.

2 These items were created as Special Needs Grants but were later transferred to other payment codes. Table HA.8 and figure HA.1 below do not include expenditure on these items as Special Needs Grants expenditure.

... but food accounted for a relatively small part of expenditure on Special Needs Grants and benefit advances in this period

Food accounted for 24% of the total value of Special Needs Grants and benefit advances in 2009/2010. This compared with 52% of this expenditure being accounted for by 'other emergency situations'.

Trends in expenditure on hardship payments

Expenditure on Special Needs Grants and benefit advances rose between 2006/2007 and 2009/2010

This growth (see table HA.6):

- accelerated in 2008/2009
- slowed in 2009/2010.

It reflected a combination of:

- increased levels of payment
- growth in the number of payments made.

This followed a decrease between 2005/2006 and 2006/2007.

Around two-fifths of expenditure on Special Needs Grants and benefit advances was for clients receiving a Domestic Purposes Benefit

Forty per cent of the expenditure on Special Needs Grants and benefit advances in 2009/2010 was for grants paid to clients receiving a Domestic Purposes Benefit (see table HA.6). This compared with 44% in 2005/2006.

During this period, between 29% and 32% of this expenditure was for grants received by recipients of a Sickness Benefit or Invalid's Benefit.

table HA.6: Expenditure on Special Needs Grants and benefit advances paid, by the New Zealand Superannuation, pension or main benefit clients were receiving (\$000s)

New Zealand Superannuation, pension or main benefit paid when Special Needs Grant or benefit advance was provided	Expenditure on Special Needs Grants and benefit advances ^{1,2}				
	2005/2006 (\$000)	2006/2007 (\$000)	2007/2008 (\$000)	2008/2009 (\$000)	2009/2010 (\$000)
Unemployment Benefits ³	17,542	14,160	10,467	19,651	32,314
Domestic Purposes Benefits ⁴	65,106	61,556	64,476	85,232	96,608
Sickness Benefits ⁵	19,768	20,518	22,701	30,697	34,976
Invalid's Benefit	23,112	23,219	25,898	32,151	33,447
Other main benefits ⁶	5,773	5,888	5,998	7,605	8,165
New Zealand Superannuation or Veteran's Pensions	7,157	7,602	8,664	11,529	13,436
No New Zealand Superannuation, pension or main benefit ⁷	11,280	12,018	14,680	20,473	20,936
Total	149,738	144,962	152,885	207,338	239,883

Notes

- 1 Expenditure on Special Needs Grants and benefit advances recorded in SWIFTT in years ended June.
- 2 Owing to rounding, amounts provided may not add to totals shown.
- 3 Comprise Unemployment Benefit and Unemployment Benefit – Hardship.
- 4 Comprise Domestic Purposes Benefit – Sole Parent, Domestic Purposes Benefit – Care of Sick or Infirm, Domestic Purposes Benefit – Women Alone and Emergency Maintenance Allowance.
- 5 Comprise Sickness Benefit and Sickness Benefit – Hardship.
- 6 Comprise Unemployment Benefit – Training, Unemployment Benefit – Hardship – Training, Unemployment Benefit – Student – Hardship, Independent Youth Benefit, Widow's Benefit and Emergency Benefit.
- 7 Includes clients receiving an Unsupported Child's Benefit or an Orphan's Benefit.

Expenditure on Recoverable Assistance Payments increased between 2005/2006 and 2009/2010

This increase (see table HA.7) reflected increases in:

- the number of payments
- the average value of payments made.

These changes reflected in part the impacts of deteriorating economic conditions.

table HA.7: Total and average expenditure on Recoverable Assistance Payments

	Expenditure on Recoverable Assistance Payments				
	2005/2006	2006/2007	2007/2008	2008/2009	2009/2010
Amount (\$000) ¹	7,907	8,909	11,024	14,178	14,359
Number of payments ²	23,347	24,495	28,315	34,862	34,860
Average amount per payment (\$)	339	364	389	407	412

Notes

1 Total expenditure on Recoverable Assistance Payments in years ended June.

2 Number of Recoverable Assistance Payments recorded in SWIFTT in years ended June.

Trends in Special Needs Grant expenditure

Expenditure on Special Needs Grants increased between 2005/2006 and 2009/2010

This increase (see table HA.8) reflected changes both in the number of payments and in the rates of payment.

The accelerated increase between 2007/2008 and 2009/2010 reflected a rise in the number of Special Needs Grants paid, particularly in grants paid for food. The amounts available for food grants per household per annum were increased in August 2008.

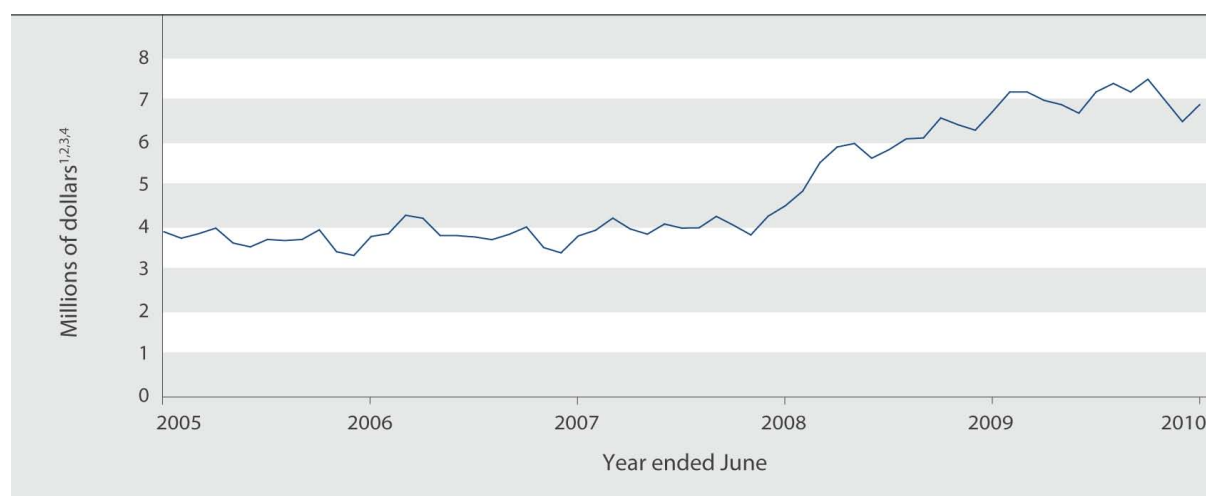
table HA.8: Annual expenditure on Special Needs Grants

Year ended June	Expenditure on Special Needs Grants ^{1,2,3} (\$m)
2005/2006	44
2006/2007	46
2007/2008	56
2008/2009	72
2009/2010	85

Notes

- 1 Expenditure on recoverable and non-recoverable Special Needs Grants in years ended June. These figures may differ from expenditure on these grants shown in other sources that are restricted to non-recoverable Special Needs Grants.
- 2 Expenditure shown is smoothed using a two-month moving average. Special Needs Grants are not subject to taxation.
- 3 Expenditure data in this table differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

The monthly expenditure on Special Needs Grants showed significant variations (see figure HA.1). This reflected variations in the number of grants made.

figure HA.1: Monthly expenditure on Special Needs Grants

Notes

- 1 Includes expenditure on recoverable and non-recoverable Special Needs Grants.
- 2 Expenditure on Special Needs Grants is smoothed using a two-month moving average. Special Needs Grants are not subject to taxation.
- 3 The July 2007 spike of Special Needs Grants payments to \$11.3 million has been excluded. These payments were the administrative result of transferring clients from fortnightly to weekly payments. This advanced a pay day for clients using money paid as Special Needs Grants, but did not result in clients receiving extra money.
- 4 Expenditure data in this graph differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

Trends in expenditure on benefit advances and Recoverable Assistance Payments

Expenditure on benefit advances and Recoverable Assistance Payments increased between 2006/2007 and 2009/2010

This increase (see table HA.9) reflected:

- an increased number of benefit advances in 2008/2009, which remained at the higher level during 2009/2010
- small ongoing increases in the number of Recoverable Assistance Payments (made to working families)
- increased levels of assistance between 2006/2007 and 2008/2009.

Changes in the number receiving benefit advances reflected changes in the number of clients receiving a main benefit, particularly in the number receiving a Domestic Purposes Benefit.

Changes in expenditure on benefit advances and Recoverable Assistance Payments (see table HA.9) reflected at least in part:

- changes in the number of clients receiving New Zealand Superannuation or a main benefit (particularly a Domestic Purposes Benefit, Sickness Benefit or Invalid's Benefit)
- slowing growth in the number of working families receiving Recoverable Assistance Payments
- increased demand for advances to cover energy, whiteware and medical expenses.

table HA.9: Annual expenditure on benefit advances and Recoverable Assistance Payments

Year ended June	Expenditure on benefit advances and Recoverable Assistance Payments (\$m) ^{1,2,3}
2005/2006	109
2006/2007	108
2007/2008	113
2008/2009	146
2009/2010	168

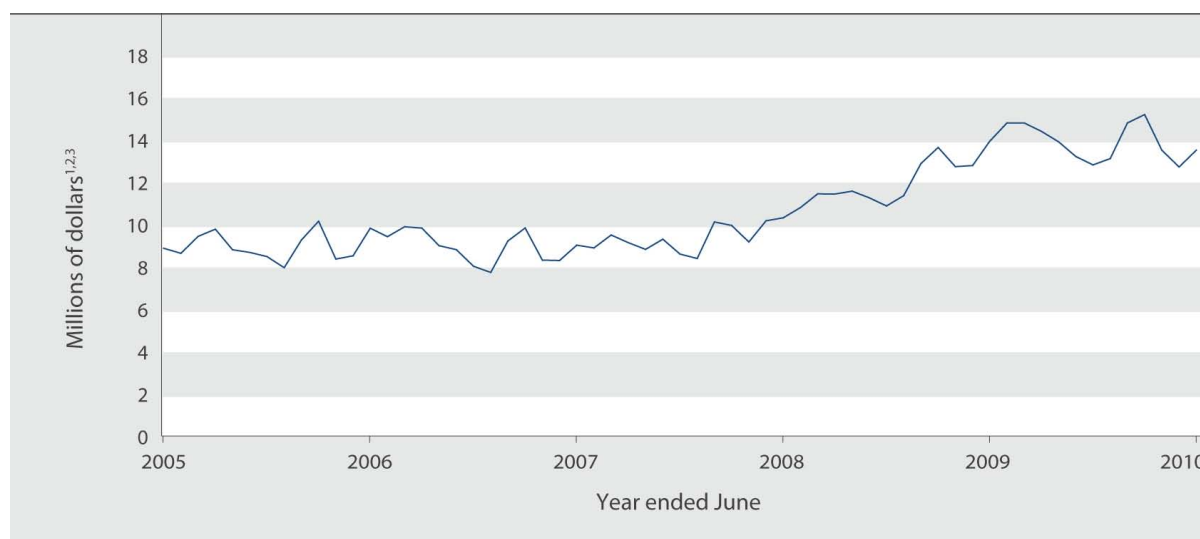
Notes

- 1 Expenditure on benefit advances and Recoverable Assistance Payments in years ended June.
- 2 Expenditure has been smoothed using a two-month moving average. Benefit advances and Recoverable Assistance Payments are not subject to taxation.
- 3 Expenditure data in this table differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

The monthly expenditure on benefit advances and Recoverable Assistance Payments showed significant variations (see figure HA.2). This reflected seasonal variations in the number of benefit advances made. Key factors in the seasonal peaks in benefit advances and Recoverable Assistance Payments were:

- school-related expenditure near the start of the school year
- winter power bills.

figure HA.2: Monthly expenditure on benefit advances and Recoverable Assistance Payments



Notes

- 1 Expenditure on benefit advances and Recoverable Assistance Payments in years ended June.
- 2 Expenditure has been smoothed using a two-month moving average. Benefit advances and Recoverable Assistance Payments are not subject to taxation.
- 3 Expenditure data in this graph differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

Employment services

Introduction to employment services

Which services are these?

Work and Income provides a range of employment and training assistance to help clients to gain paid employment.

This assistance may be of varying intensities. Less intensive assistance includes:

- one-to-one assistance with job search and preparation to enter employment
- referrals of clients to vacancies that have been 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 assist 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 assist with initial capital requirements and operating costs
- Transition to Work assistance, which assists clients with meeting the costs of finding, taking up and retaining paid employment.

Who is eligible for employment and training assistance?

Work and Income assists a range of people to find and remain in paid work.

To qualify for less intensive assistance, a client must be:

- a New Zealand citizen or permanent resident (that is, not be in New Zealand unlawfully or on a temporary permit)
- ordinarily resident in New Zealand
- working age (18–64 years)
- actively seeking or preparing for work.

In addition, to qualify for more intensive work assistance, a client must be:

- in receipt of some form of government financial assistance
- disadvantaged in the local labour market and at risk of long-term benefit dependency.

Where appropriate, intensive work services may be provided to clients who:

- are aged under 18 years or are not receiving a main benefit, but
- are disadvantaged in the local labour market and at risk of long-term benefit dependency.

Who can receive intensive work services because of disadvantage in the labour market?

A range of factors is taken into account in determining whether a person could receive intensive work services under this criterion. These include:

- the barriers the person may have to taking up employment
- the length of any previous time the person has been in receipt of a benefit
- the circumstances that have contributed to the person being unemployed (eg redundancy, recent release from prison)
- the type of employment the person is seeking
- local labour market conditions (what is realistic for them)
- the levels of skill and qualification possessed by the person and the relevance of these to local labour market opportunities
- the length of any period out of the labour market that resulted in a lack of previous 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 in order to assist the client to:

- seek another job (eg where redundancy is pending), or
- retain 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 assist job seekers into paid employment – including job search skills, work confidence programmes and opportunities for on-the-job training.

Were any work services introduced specifically in response to the recession?

In July 2009, Work and Income introduced:

- Job Opportunities
- Community Max.

Job Opportunities

What is Job Opportunities?

Job Opportunities is a job placement programme that aims to improve opportunities to enter paid work by:

- building work confidence
- providing work experience
- demonstrating to employers clients' ability to work.

The placement is for six months. The employer receives \$3,000 up front to employ a young person for six months, and a further \$2,000 when the placement has been completed.

The programme was introduced in July 2009.

Which clients are eligible?

Job Opportunities is targeted at clients with limited work experience who are aged 18–24 years and are:

- receiving an Unemployment Benefit or a training-related benefit¹, or
- not receiving a benefit but:
 - have attended a Work for You seminar
 - intend to apply for an Unemployment Benefit or a training-related benefit
 - are at risk of long-term unemployment.

Sixteen- and 17-year-olds transitioning into work are also eligible for Job Opportunities, whether or not they are receiving a benefit.

Clients may take part in Job Opportunities more than once, but:

- must have a period between Job Opportunities placements of at least one month (to allow for job search)
- cannot have more than one Job Opportunities placement with the same employer.

Which employers may take part?

Most employers are eligible to take part, apart from:

- central government
- state-owned enterprises, except when exclusion would lead to an unfair commercial situation (eg a direct competitor is receiving money from Job Opportunities placements).

An employer cannot receive a Job Opportunities subsidy for a position from which they have made a worker redundant in the previous month.

An employer can have more than one staff member on a Job Opportunities placement at the same time, provided each position meets the Job Opportunities criteria.

1. Unemployment Benefits comprise Unemployment Benefit and Unemployment Benefit – Hardship.
Training-related benefits comprise Unemployment Benefit – Training and Unemployment Benefit – Hardship – Training.

Community Max

What is Community Max?

Community Max supports the completion of projects that:

- create jobs for young people
- benefit the community or the environment
- would not otherwise be undertaken or completed.

Community Max provides assistance with employing young people to undertake these projects, through:

- wage subsidies
- supervision expenses
- training expenses.

Community Max placements are usually for six months, but may be shorter if this is considered to be in the best interests of the client.

Community Max aims to provide the young people employed to undertake these projects with work experience and on-job skills that will lead to unsubsidised employment.

The programme was introduced in July 2009.

Which clients are eligible?

Community Max is targeted at clients who are aged 18–24 years and are:

- receiving an Unemployment Benefit or a training-related benefit²
- not receiving a benefit but:
 - have attended a Work for You seminar
 - intend to apply for an Unemployment Benefit or a training-related benefit
 - are at risk of long-term unemployment.

Sixteen- and 17-year-olds transitioning into work are also eligible for Community Max, whether or not they are receiving a benefit.

Clients may take part in Community Max more than once if they:

- will continue to gain new skills and work experience
- have a period of at least one month between placements (to allow for job search).

2. Unemployment Benefits comprise Unemployment Benefit and Unemployment Benefit – Hardship.
Training-related benefits comprise Unemployment Benefit – Training and Unemployment Benefit – Hardship – Training.

Which projects are eligible?

To be eligible to receive a Community Max subsidy, an employer must ensure that they:

- comply with all employment legislation, including minimum wage legislation
- have the necessary resources to complete the project
- do not have a 90-day employment trial in the employment agreement attached to the position to be subsidised.

Positions filled using Community Max subsidies must be full-time (30 or more hours per week).

Employers receiving Community Max subsidies are encouraged to provide relevant training for clients being subsidised.

Trends in number participating in Job Opportunities and Community Max

In the year ended June 2010:

- 6,080 positions had been filled through Job Opportunities placements, and 4,646 employers had participated in the programme.
- 3,571 positions had been filled through Community Max placements with 479 sponsors

Registered job seekers

Who are registered job seekers?

Registered job seekers include:

- people who are required to register as job seekers 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, in order to obtain assistance with finding work
- some people who do not qualify for an Unemployment Benefit or count as officially unemployed.

Registered job seekers are:

- working fewer than 30 hours per week
- seeking to work more hours
- available for and actively seeking work.

Registration as a job seeker denotes an administrative status. The number of registered job seekers should not be confused with the number of recipients of a main benefit, nor with the number of officially unemployed.

Note on job seeker statistics

The number of people required to register as job seekers has fluctuated considerably in the past decade as different work-testing regimes have redefined the criteria for registration and as Work and Income's client engagement models have changed. Therefore it is difficult to compare changes over time in job seeker statistics.

Job Search Service

What is the Job Search Service?

The 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 of 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 does the Job Search Service work?

The Job Search Service has several components. Different modules provide clients with details of:

- local job opportunities
- how Work and Income can assist them to gain and retain employment
- the benefit application process if they have not already applied
- their obligations and what is expected of them while they receive a benefit.

Clients are offered modules that are likely to address needs identified at their first assessment.

Who is eligible to participate in the Job Search Service?

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.

What support is available to clients undertaking the programme?

A client may be supported in their job search activity through:

- phone contact with Work and Income staff
- 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.

What happens following the end of the programme?

Clients who proceed with an application 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 that the clients will take to:

- obtain work, or
- become work ready.

Clients are required to undertake these activities based on their individual circumstances.

Transition to Work assistance

What is Transition to Work assistance?

Transition to Work assistance is paid in order to assist clients to:

- make successful transitions from benefits to employment
- remain in employment.

Transition to Work assistance may be 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

What is a Transition to Work Grant?

A Transition to Work Grant is available to assist with the costs of seeking or taking up paid work. This assistance is available to people who may be 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 to receive a Transition to Work Grant?

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 per 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
- are reliant 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 Grant (applicable from 1 April 2010)¹

Status of client	Income limit ¹	Asset limit
Single 16–17 years	\$443.46	\$970.87
Single 18 years or over	\$509.68	\$970.87
Married with or without children	\$740.27	\$1,617.73
Sole parent, 1 child	\$618.46	\$1,617.73
Sole parent, 2 or more children	\$651.58	\$1,617.73

Note

¹ 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.

What costs may be met by a Transition to Work Grant?

The costs that may be met with 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 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 per week.

Work Start Grant

What was a Work Start Grant?

Prior to 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 assistance 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 per 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 for a Work Start Grant?

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

What was a Pathways Payment?

A Pathways Payment was available to assist clients entering paid employment with the living costs they encountered between the cancellation of their benefit and their receipt of:

- their first wages or salary payments, or
- their first payments as self-employed people.

A 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 tests or asset tests.

After April 2007, Pathways Payments were incorporated into Transition to Work Grants.

Who was eligible to receive a Pathways Payment?

To receive a Pathways Payment, a client, or their spouse or partner, needed to:

- cancel a main benefit in order 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 prior to 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

What is a New Employment Transition Grant?

A New Employment Transition Grant is available to assist with replacing 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.

These grants are available:

- to clients with one or more dependent children
- during the first six months after the clients cease receiving a benefit to enter employment.

The maximum daily rate of New Employment Transition Grant is limited to the lesser of:

- the actual loss of gross income
- \$62 per day (as at 1 April 2010).

A total of no more than \$620 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 for a New Employment Transition Grant?

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.

In addition, to receive a grant because of illness, the client must have:

- no paid sick leave available, or
- exhausted their entitlement to paid sick leave.

To receive a grant because of a breakdown in childcare arrangements, the client must have:

- no paid leave (including paid annual leave) available for this purpose, or
- exhausted their entitlement to paid leave (including their entitlement to paid annual 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

What is Seasonal Work Assistance?

This assistance is available to replace income lost through a client being unable to undertake seasonal horticultural work because of adverse weather conditions.

Seasonal Work Assistance is non-taxable and non-recoverable.

Who may receive Seasonal Work Assistance?

This 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 a client ceases receiving a benefit because they have begun seasonal horticultural work.

At the end of June 2010, 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 2010 are shown in table TW.2.

table TW.2: Maximum rates of Seasonal Work Assistance payable (applicable from 1 April 2010)

Hours of work lost (over one week)	Maximum weekly payment	
	Single person	Married person, person in civil union or sole parent
1–8 hours	\$43.00	\$78.00
9–16 hours	\$86.00	\$156.00
17–24 hours	\$129.00	\$234.00
25–32 hours	\$172.00	\$312.00
33–40 hours	\$215.00	\$390.00
Over 40 hours	\$215.00	\$390.00

A total of no more than \$780 in Seasonal Work Assistance may be paid to a client within the six-month qualifying period.

Trends in 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 that Work and Income has placed on assisting clients to obtain and retain 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.

Trends in the number of Transition to Work Grants, Work Start Grants and Pathways Payments provided

The number of payments increased markedly between 2008/2009 and 2009/2010

The combined number of Transition to Work Grants, Work Start Grants and Pathways Payments provided increased between 2008/2009 and 2009/2010 (see table TW.3). This followed little change between 2007/2008 and 2008/2009.

This increase reflected changes in the number of clients cancelling a main benefit to enter paid work.

Reductions between 2006/2007 and 2009/2010 in the number of Work Start Grants and Pathways Payments (see table TW.3) reflected the replacement of this assistance by Transition to Work Grants. Transition to Work Grants accounted for all of the grants provided in 2009/2010, compared with 21% in 2006/2007.

table TW.3: Types of expenditure met by Transition to Work Grants, Work Start Grants and Pathways Payments provided

Type of assistance	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number	2009/2010 Number
	Work Start Grants (\$000)¹				
Bridging finance – non-student	5,516	4,692	1	0	0
Job Search costs – non-student	6,485	5,614	1	0	0
Work placement costs – non-student	36,342	31,290	36	2	0
Bridging finance – student	43	49	0	0	0
Job search costs – student	91	49	0	0	0
Work placement costs – student	721	403	0	0	0
Unspecified	0	0	0	0	0
Total Work Start Grants¹	49,198	42,097	38	2	0
	Transition to Work Grants²				
Bridging finance – benefit recipient	0	1,199	6,516	6,432	8,409
Bridging finance – other	0	1,103	7,876	7,375	7,789
Job placement costs	0	8,232	52,202	49,866	64,334
Job search costs	0	2,160	13,952	17,062	26,320
Unspecified	0	9	0	0	0
Total Transition to Work Grants²	0	12,703	80,546	80,735	106,852
	Pathways Payments³				
Total Pathways Payments³	6,934	6,673	0	0	0
	All payment types				
Total payments made (all types)	56,132	61,473	80,584	80,737	106,852

Notes

- 1 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 Number of Transition to Work Grants recorded in SWIFTT during years ended June. Transition to Work Grants were available from April 2007.
- 3 Number of Pathways Payments recorded in SWIFTT during years ended June. Pathways Payments were superseded by Transition to Work Grants from April 2007.

Trends in the number of New Employment Transition Grants provided

The number of New Employment Transition Grants provided decreased between 2007/2008 and 2009/2010

This decrease (see table TW.4) reflected in part the impacts of the economic recession on opportunities to enter paid work.

The number of New Employment Transition Grants increased between 2005/2006 and 2007/2008.

table TW.4: Number of New Employment Transition Grants provided

	New Employment Transition Grants provided ¹				
	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number	2009/2010 Number
Total	535	702	841	655	458

Note

1 Number of New Employment Transition Grants paid in years ended June.

Trends in the number of Seasonal Work Assistance payments provided

The number of Seasonal Work Assistance payments fluctuated between 2005/2006 and 2009/2010

This pattern (see table TW.5) reflected a combination of:

- stormy weather patterns during 2007/2008 and 2009/2010
- changes in the number of clients cancelling a main benefit to enter paid work.

This fluctuation followed a decrease between 2004/2005 and 2006/2007.

table TW.5: Number of Seasonal Work Assistance payments provided

	Seasonal Work Assistance payments provided ¹				
	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number	2009/2010 Number
Total	1,492	1,130	1,754	1,184	1,834

Note

1 Number of Seasonal Work Assistance payments made in years ended June.

Trends in expenditure on Transition to Work Grants, Work Start Grants and Pathways Payments

The combined expenditure on Transition to Work Grants, Work Start Grants and Pathways Payments increased between 2005/2006 and 2009/2010

This increase (see table TW.6):

- accelerated between 2008/2009 and 2009/2010
- reflected increases in the number of grants paid, while levels of assistance remained relatively stable.

The increase slowed between 2007/2008 and 2008/2009 (see table TW.6). This reflected increased levels of assistance paid, while the number of payments remained relatively stable.

table TW.6: Expenditure on Transition to Work Grants, Work Start Grants and Pathways Payments provided, by expenditure type

Type of assistance	2005/2006	2006/2007	2007/2008	2008/2009	2009/2010
	Work Start Grants (\$000) ¹				
Bridging finance – non-student	1,161	1,030	0	0	0
Job search costs – non-student	526	443	0	0	0
Work placement costs – non-student	4,373	3,742	4	0	0
Bridging finance – student	8	9	0	0	0
Job search costs – student	10	5	0	0	0
Work placement costs – student	95	53	0	0	0
Total Work Start Grants¹	6,173	5,281	5	0	0
	Transition to Work Grants (\$000) ²				
Bridging finance – benefit recipient	0	383	2,113	2,166	2,749
Bridging finance – other	0	325	2,469	2,465	2,580
Job placement costs	0	1,414	9,450	9,997	13,638
Job search costs	0	201	1,259	1,586	2,397
Unspecified	0	1	0	0	0
Total Transition to Work Grants²	0	2,324	15,291	16,213	21,364
	Pathways Payments (\$000) ³				
Total Pathways Payments³	2,642	2,781	0	0	0
	Total value (all payment types)				
Total expenditure (\$000)⁴	8,815	10,386	15,296	16,214	21,364
Average amount per payment (\$)	157.05	168.95	189.81	200.82	199.94

Notes

- 1 Expenditure on Work Start Grants recorded in SWIFTT during years ended June. Work Start Grants were superseded by Transition to Work Grants from April 2007.
- 2 Expenditure on Transition to Work Grants recorded in SWIFTT during years ended June. Transition to Work Grants were available from April 2007.
- 3 Expenditure on Pathways Payments recorded in SWIFTT during years ended June. Pathways Payments were superseded by Transition to Work Grants from April 2007.
- 4 Owing to rounding, amounts shown may not add to totals given.

Trends in expenditure on New Employment Transition Grants

Expenditure on New Employment Transition Grants decreased between 2007/2008 and 2009/2010

This decrease followed two years of increases (see table TW.7) and reflected changes in:

- the average amount of the grants paid
- the number of grants made.

table TW.7: Expenditure on New Employment Transition Grants

	Expenditure on New Employment Transition Grants ¹				
	2005/2006	2006/2007	2007/2008	2008/2009	2009/2010
Total (\$000)	116	168	225	161	128
Average amount per payment (\$)	216.90	238.88	267.51	246.07	278.56

Note

1 Expenditure on New Employment Transition Grants recorded in SWIFTT in years ended June.

Trends in expenditure on Seasonal Work Assistance payments

Expenditure on Seasonal Work Assistance payments fluctuated between 2005/2006 and 2009/2010

This pattern (see table TW.8) reflected changes in both the number of payments made and the average amount of payments made. These changes in turn reflected weather patterns and changes in the number of clients leaving benefits to enter paid work.

table TW.8: Expenditure on Seasonal Work Assistance payments

	Expenditure on Seasonal Work Assistance payments ¹				
	2005/2006	2006/2007	2007/2008	2008/2009	2009/2010
Total (\$000)	222	156	280	182	294
Average amount per payment (\$)	148.95	138.06	159.91	153.40	160.07

Note

1 Expenditure on Seasonal Work Assistance payments during years ended June.

Course Participation Assistance

What is Course Participation Assistance?

Course Participation Assistance provides assistance with the costs of participating in employment-related training.

The courses or programmes attracting this assistance are generally less than 12 weeks long. This 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
- care of other dependants.

This assistance:

- contributes towards the actual and reasonable costs of participating in training
- is non-taxable and non-recoverable.

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
- if the course or programme is appropriate to the client's personal situation and skill development needs
- whether the course or programme is in line with the client's service plan and is a progression towards employment
- whether the course or programme is likely to improve the likelihood of the client gaining employment.

The course or programme that 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 2010)

Client status ¹	Income limit ²	Asset limit
Single, 16–17 years	\$443.46	\$970.87
Single, 18 years or over	\$509.68	\$970.87
Married, with or without children	\$740.27	\$1,617.73
Sole parent, 1 child	\$618.46	\$1,617.73
Sole parent, 2 or more children	\$651.58	\$1,617.73

Notes

1 'Married' includes clients who are married, living as married, or in a civil union.

2 Income limits shown are weekly income, including tax paid.

Payment rates for Course Participation Assistance

Maximum levels have been set for assistance with each of the costs covered by Course Participation Assistance. These maximum costs are shown in table CP.2.

table CP.2: Maximum payments of Course Participation Assistance (available from 1 April 2010)

Purpose	Maximum payment ¹
Tuition and enrolment fees	\$200.00
Transport costs	\$60.00
Caring costs ²	\$80.00

Notes

1 Maximum weekly payments available from 1 April 2010.

2 May be available to cover costs of formal or informal care arrangements for children, disabled people or older people. Childcare costs covered exclude any costs met by Childcare Subsidy, OSCAR Subsidy or Child Disability Allowance.

Some clients receive assistance with both transport and caring costs. The combined amount of assistance paid toward these costs cannot exceed \$80 per week.

Trends in the number of people receiving Course Participation Assistance

The number receiving Course Participation Assistance increased between 2007/2008 and 2009/2010

This increase (see table CP.3) reflected, at least in part, increases in the number of clients receiving a main benefit.

Two-thirds of recipients of this assistance in 2009/2010 were receiving an Unemployment Benefit

Sixty-seven percent of clients receiving Course Participation Assistance in 2009/2010 were being paid an Unemployment Benefit (see table CP.3). This compared with 43% in 2007/2008.

This change reflected an increase in the number receiving an Unemployment Benefit.

table CP.3: New Zealand Superannuation, pensions or main benefits paid to clients receiving a payment of Course Participation Assistance

Type of main benefit paid when Course Participation Assistance received	Number of payments of Course Participation Assistance ¹		
	2007/2008 Amount	2008/2009 Amount	2009/2010 Amount
Unemployment Benefits ²	1,540	2,751	5,782
Domestic Purposes Benefits ³	776	773	906
Sickness Benefits ⁴	525	722	810
Invalid's Benefit	288	269	357
Other main benefits ⁵	495	807	823
New Zealand Superannuation or Veteran's Pension	0	0	1
Total	3,624	5,322	8,679

Notes

1 Number of payments of Course Participation Assistance recorded in SWIFTT in years ended June.

2 Comprise Unemployment Benefit and Unemployment Benefit – Hardship.

3 Comprise Domestic Purposes Benefit – Sole Parent, Domestic Purposes Benefit – Care of Sick or Infirm, Domestic Purposes Benefit – Women Alone and Emergency Maintenance Allowance.

4 Comprise Sickness Benefit and Sickness Benefit – Hardship.

5 Comprise 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 2008/2009 and 2009/2010, Course Participation Assistance payments became more likely to be for fees

Sixty-nine percent of the Course Participation Assistance payments made in 2009/2010 were for fees (see table CP.4). This compares with 59% in 2008/2009.

There was a corresponding decrease in the proportion of payments that were for transport (from 40% to 30%).

Since the introduction of the Course Participation Assistance in 2007/2008, caring costs have accounted for a very small proportion of allowance payments.

table CP.4: Reasons for payments of Course Participation Assistance

Reason for payment	Number of payments of Course Participation Assistance ¹		
	2007/2008 Number	2008/2009 Number	2009/2010 Number
Caring	78	83	70
Fees	2,066	3,115	6,005
Transport	1,480	2,124	2,604
Total	3,624	5,322	8,679

Note

1 Number of payments of Course Participation Assistance recorded in SWIFTT in years ended June.

Trends in expenditure on Course Participation Assistance

Expenditure on Course Participation Assistance increased between 2007/2008 and 2009/2010

This increase (see table CP.5) reflected:

- an increased average level of payments
- an increased number of payments.

A large majority of Course Participation Assistance expenditure was on course fees

Eighty-six percent of Course Participation Assistance expenditure in 2009/2010 was for fees (see table CP.5). This compared with 75% in 2007/2008.

During this period, the proportion of expenditure on Course Participation Assistance accounted for by transport costs decreased (from 23% to 13%).

table CP.5: Expenditure on Course Participation Assistance

Reason for expenditure	Expenditure on Course Participation Assistance ¹		
	2007/2008 Amount	2008/2009 Amount	2009/2010 Amount
Caring (\$000)	14.9	14.9	11.0
Fees (\$000)	491.4	790.1	1,498.4
Transport (\$000)	146.8	209.3	224.8
Total (\$000)	653.1	1,014.3	1,734.2
Average value per payment (\$)	180.21	190.59	199.81

Note

1 Expenditure on Course Participation Assistance payments recorded in SWIFTT in years ended June.

Superannuation and pensions

Introduction to New Zealand Superannuation and pensions

This section outlines information on:

- the War Disablement Pension
- New Zealand Superannuation
- Veteran's Pension.

War Disablement Pension

A War Disablement Pension is paid to people with disabilities resulting from military service. This pension aims, in part, to acknowledge recipients' contributions to society as members of the armed forces.

Since 1 July 2008, War Disablement Pension has been administered by Veteran's Affairs New Zealand (VANZ). Prior to July 2008, MSD administered the War Disablement Pension.

For further information on War Disablement Pension since 1 July 2008, see the VANZ website <http://www.veteransaffairs.mil.nz>.

New Zealand Superannuation

Who is it available to?

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 married³ 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 assist with meeting necessary costs of living. These supplementary benefits are income tested and/or asset tested in the same way as for clients receiving supplementary benefits with a pension or main benefit.

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, including
- five years since they were aged 50.

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 administration of New Zealand Superannuation

On 1 April 1992, the qualifying age was increased from 60 years to 61 years. The qualifying age was then increased by three months every six months from 1 April 1993, until it was fixed at 65 years from 1 April 2001.

3. '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 that 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 2010.

table NZ.1: Weekly payment rates for New Zealand Superannuation (payable from 1 April 2010)

Status ¹	Payment rate excluding tax paid at 'M' rate ^{2,3}	Payment rate excluding tax paid at 'S' rate ^{2,3}
Married, each, both qualify	\$244.71	\$221.82
Married, each, only one qualifies ⁴	\$232.74	\$210.21
Married, each, only one qualifies, and application accepted before 1 October 1991 ⁴	\$244.71	\$221.82
Single, living alone	\$318.12	\$295.23
Single, living with others	\$293.65	\$270.76

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 2010. Payments of New Zealand Superannuation are made fortnightly at double the rates indicated above.
- 3 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. Rates shown for single people or where both spouse or partners qualify are not income tested.

Trends in the number of clients receiving New Zealand Superannuation

The number receiving New Zealand Superannuation increased between 2006 and 2010

This increase (see table NZ.2) reflected the impacts 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.

Around one in two of those receiving New Zealand Superannuation was aged 65–74 years

Between 2006 and 2010, between 52% and 55% of New Zealand Superannuation recipients were aged 65–74 years (see table NZ.2). During this period 11% of clients receiving New Zealand Superannuation 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 ¹				
	2006 Number	2007 Number	2008 Number	2009 Number	2010 Number
Under 60 years ²	3,899	3,484	3,179	3,226	3,273
60–64 years ²	11,072	10,303	9,781	9,909	10,105
65–69 years	144,867	153,900	158,186	165,498	171,680
70–74 years	111,240	113,201	117,332	122,396	130,506
75–79 years	96,754	97,382	97,581	97,821	98,498
80–84 years	67,497	68,992	71,026	72,895	74,585
85–89 years	35,578	37,071	38,431	40,222	41,984
90 years or over	17,918	18,384	18,760	18,791	19,889
Total	488,825	502,717	514,276	530,758	550,520

Notes

1 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.

Trends in the proportion of people aged 65 years or over receiving New Zealand Superannuation

Between 2006 and 2010, nearly all New Zealanders aged 65 years or over were receiving New Zealand Superannuation

The proportion of people aged 65 years or over receiving New Zealand Superannuation has risen slightly since 2006 (see figure NZ.1).

Increases in the likelihood of receiving New Zealand Superannuation were largest among 65–74 year olds

During this period, those aged 65–69 years and 70–74 years showed the steepest increases in the likelihood of receiving New Zealand Superannuation (see figure NZ.1).

Changes in the likelihood of people aged 80 years or over receiving New Zealand Superannuation reflected:

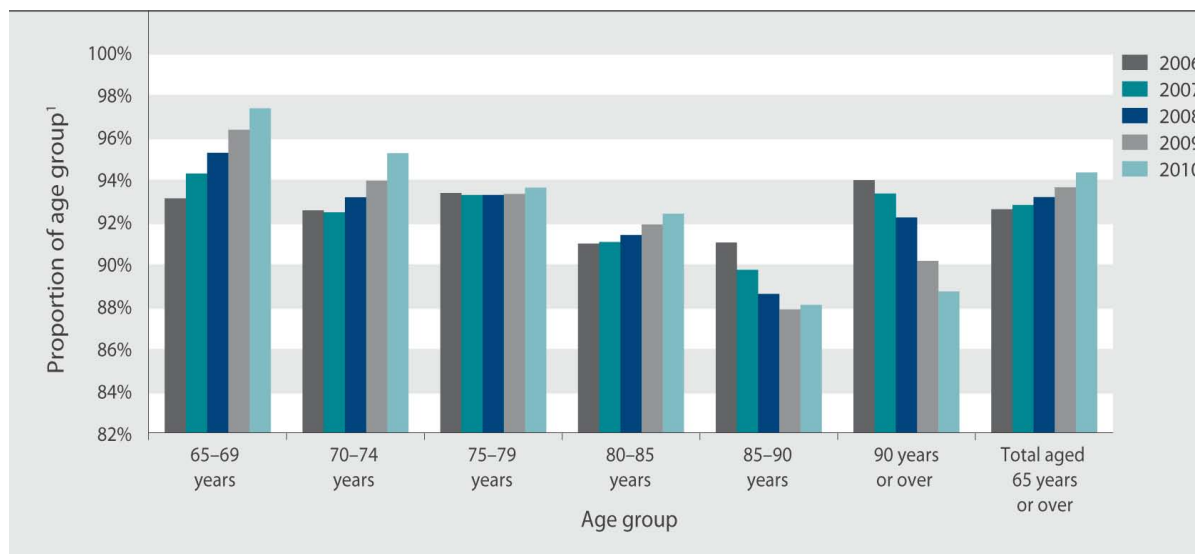
- patterns in the use of Veteran's Pension
- increases in the number of people aged 80 years or over.

Note – not all people aged 65 years or over receive New Zealand Superannuation or a Veteran's Pension

A small number of people aged 65 years or over do not receive New Zealand Superannuation or a Veteran's 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).

figure NZ.1: Proportions of people aged 65 years or over receiving New Zealand Superannuation, by age



Note

1 Proportion shows:

- a. numbers of clients in each age group recorded in SWIFTT as receiving New Zealand Superannuation at the end of June, divided by
- b. Statistics New Zealand's final estimate of the resident population in age group at the end of June.

See table PP.20 for a summary of the data underlying figure NZ.1.

For more information about the use of New Zealand Superannuation, see table OT.2

This table shows trends since 1940 in the number of clients receiving New Zealand Superannuation.

Trends in New Zealand Superannuation grants

Grants of New Zealand Superannuation increased between 2007/2008 and 2009/2010

This increase (see table NZ.3) reflected in part changes in the number of people turning 65 years of age during any year.

Grants of New Zealand Superannuation decreased between 2006/2007 and 2007/2008.

Four in five of the clients granted New Zealand Superannuation had been previously independent of the benefit system

Seventy-nine percent of clients granted New Zealand Superannuation in 2009/2010 had not received a pension or a main benefit in the previous four years (see table NZ.3). This was a slight increase from 75% in 2005/2006.

There was a corresponding fall in the proportion of these clients who transferred from a pension or a main benefit (from 19%–16%).

table NZ.3: Length of periods since clients granted New Zealand Superannuation last received any pension or main benefit

Period since client last received any pension or main benefit	New Zealand Superannuation pensions granted ¹				
	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number	2009/2010 Number
None (clients transferring from another pension or district, or from a main benefit) ²	8,011	7,907	7,252	7,458	7,454
Under 6 months	364	394	337	334	364
6–12 months	383	357	344	365	323
12–18 months	320	322	284	332	305
18 months–2 years	272	264	264	328	263
2–4 years	905	983	991	1,027	1,047
Had not received a pension or main benefit in previous 4 years	31,118	31,845	30,048	34,747	36,769
Total	41,373	42,072	39,520	44,591	46,525

Notes

- 1 Numbers of successful applications for New Zealand Superannuation recorded in SWIFTT during years ended June.
- 2 Includes only a minority of transfers of New Zealand Superannuation between districts. Most such transfers are accomplished without cancelling and re-granting New Zealand Superannuation.

Trends in expenditure on New Zealand Superannuation

Expenditure on New Zealand Superannuation increased between 2005/2006 and 2009/2010

This increase (see table NZ.4) reflected the combined effects of:

- a larger number receiving New Zealand Superannuation
- adjustments to the rate at which New Zealand Superannuation was paid
- changes in the use of supplementary benefits (eg a Disability Allowance) by clients receiving New Zealand Superannuation.

table NZ.4: Annual expenditure on New Zealand Superannuation

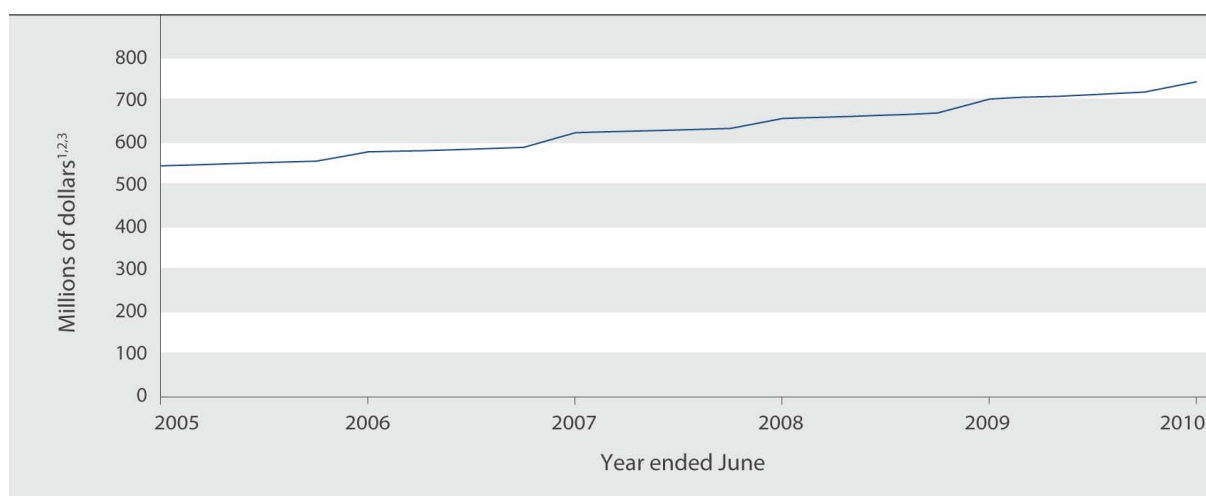
Year ended June	Expenditure on New Zealand Superannuation^{1,2,3} (\$m)
2005/2006	6,658
2006/2007	7,068
2007/2008	7,585
2008/2009	8,023
2009/2010	8,583

Notes

- 1 Expenditure on New Zealand Superannuation in years ended June, including expenditure on supplementary benefits provided to recipients of New Zealand Superannuation.
- 2 Expenditure is gross of taxation, adjusted to payment periods based on a standard 30-day month and smoothed using a three-month moving average.
- 3 Expenditure data in this table differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

The monthly expenditure on New Zealand Superannuation showed little seasonal variation between 2005/2006 and 2009/2010

Figure NZ.2 shows the impacts of adjustments to the rate of New Zealand Superannuation as an accelerated increase in expenditure beginning in the last three months of each fiscal year.

figure NZ.2: Monthly expenditure on New Zealand Superannuation**Notes**

- 1 Monthly expenditure on New Zealand Superannuation, including expenditure on supplementary benefits paid to New Zealand Superannuation recipients.
- 2 Expenditure shown is gross of taxation, adjusted to payment periods based on a standard 30-day month and smoothed using a three-month moving average.
- 3 Expenditure data in this graph differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

For more information on expenditure on New Zealand Superannuation, see table OT.5

This table shows trends since 1940 in expenditure on New Zealand Superannuation.

Veteran's Pension

Background

Veteran's Pension was introduced on 1 April 1990 and replaced the former War Veteran's Allowance, War Pension, War Service Pension and Economic Pension.

Historical changes in the funding of Veteran's Pension

On 1 July 1999, the funding for Veteran's Pension was transferred from Vote: Work and Income to Vote: Veteran's Affairs – Work and Income. In subsequent years, the funding of Veteran's Pension remained in Vote: Veteran's Affairs.

Funding for the Veteran's Pension is now in Vote: Veteran's Affairs – Social Development.

Eligibility

Who is Veteran's Pension available to?

Veteran's Pension is available to ex-service personnel who have served in a war or emergency and are:

- aged 65 years or over and qualified for a War Disablement Pension, or
- aged under 65 years and unable to work because of a disability.

To qualify for a Veteran's 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%, or
- 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, or
 - unable to work for two years or more.

Surviving spouses or partners of Veteran's Pension recipients may choose to continue receiving a Veteran's Pension at the single person rate.

A policy change was introduced in 1992 that allowed veterans receiving New Zealand Superannuation to transfer to a Veteran's Pension.

Income and residency tests

Veteran's Pension is not income tested except where:

- a non-qualified spouse is receiving a Veteran's Pension, or
- a qualified Veteran's 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 Veteran's Pension may receive supplementary benefits to assist with meeting 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.

Veteran's Pension payment rates

The payment rates for Veteran's Pension are set by legislation. At the 'M' tax rate, the combined after-tax amount of Veteran's 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 that rate.

Veteran's Pension payments are taxable.

Table VP.1 shows rates for Veteran's Pension payable from 1 April 2010.

table VP.1: Weekly payment rates for Veteran's Pension (payable from 1 April 2010)

Status ¹	Payment rate excluding tax paid at 'M' rate ^{2,3}	Payment rate excluding tax paid at 'S' rate ^{2,3}
Married, each, both qualify	\$244.71	\$221.82
Married, each, only one qualifies ⁴	\$232.74	\$210.21
Married, each, only one qualifies, and application accepted before 1 October 1991 ⁴	\$244.71	\$221.82
Single, living alone	\$318.12	\$295.23
Single, living with others	\$293.65	\$270.76

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 2010. Payments of Veteran's Pension are made fortnightly at double the rates indicated above.
- 3 Rates shown are exclusive of Working for Families Tax Credits paid by Inland Revenue.
- 4 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. Rates shown for single people or where both partners qualify are not income tested.

Trends in the number of clients receiving a Veteran's Pension

The number receiving a Veteran's Pension decreased between 2009 and 2010

This decrease (see table VP.2) reflected the ageing client base, with the number of client deaths outnumbering new clients.

The number receiving a Veteran's Pension increased between 2006 and 2009. This increase reflected the ageing of World War Two veterans and their spouses, who are the largest group of Veteran's Pension recipients.

Nearly two-thirds of Veteran's Pension recipients were aged 80 years or over

Sixty-five percent of Veteran's Pension recipients in 2010 were aged 80 years or over (see table VP.2). This was a slight increase on 59% in 2006.

There was a corresponding decrease in the proportion of Veteran's Pension recipients who were aged 70–79 years (from 25% to 21%).

table VP.2: Ages of clients receiving a Veteran's Pension

Age of client at the end of June	Clients receiving a Veteran's Pension ¹				
	2006 Number	2007 Number	2008 Number	2009 Number	2010 Number
Under 60 years	326	284	218	183	138
60–64 years	363	393	462	482	469
65–69 years	562	681	770	851	872
70–74 years	828	887	930	966	978
75–79 years	1,577	1,514	1,514	1,478	1,273
80–84 years	3,175	3,140	3,029	2,734	2,331
85–89 years	2,101	2,482	2,954	3,245	3,221
90 years or over	540	684	859	1,077	1,251
Total	9,472	10,065	10,736	11,016	10,533

Note

¹ Number of clients recorded in SWIFTT as receiving a Veteran's Pension at the end of June.

Trends in the proportion of people aged 65 years or over receiving a Veteran's Pension

A small number of New Zealanders aged 65 years or over received a Veteran's Pension

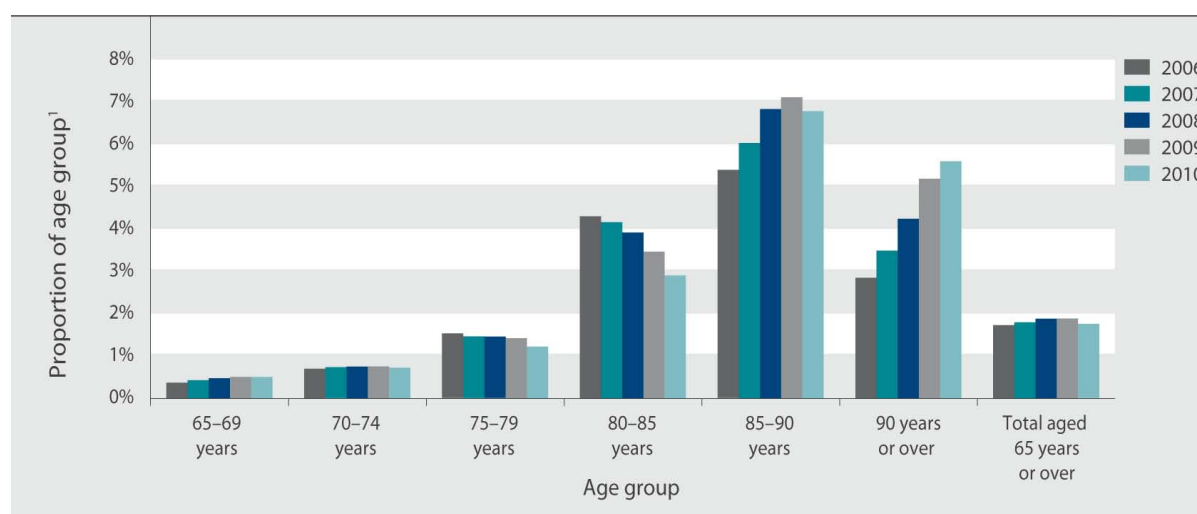
Between 2006 and 2010, less than 2% of people aged 65 years or over were receiving a Veteran's Pension (see figure VP.1).

New Zealanders aged 85 years or over became more likely to be receiving a Veteran's Pension

In 2010, 4% of those aged 85–89 years, and 6% of those aged 90 years or over, were receiving a Veteran's Pension (see figure VP.1). This compared with 3% in each of these age groups in 2006. During the same period the proportion of 80–84 year olds receiving a Veteran's Pension decreased from 4% to 3%.

These changes largely reflected the ageing of World War Two veterans and their spouses or partners.

figure VP.1: Proportions of people aged 65 years or over receiving a Veteran's Pension, by age



Note

1 Proportion shows:

- number of clients in each age group recorded in SWIFTT as receiving a Veteran's Pension at the end of June, divided by
- Statistics New Zealand's final estimate of the resident population in each age group at the end of June.

See table PP.21 for a summary of the data underlying figure VP.1.

For more information about the use of Veteran's Pension, see table OT.2

This table shows trends since 1990 in the number of clients receiving a Veteran's Pension.

Trends in grants of Veteran's Pension

The number of grants of Veteran's Pension decreased between 2007/2008 and 2009/2010

This decrease (see table VP.3) reflected a slowing of transfers from a pension or main benefit to a Veteran's Pension. These transfers usually involved a transfer from New Zealand Superannuation to a Veteran's Pension.

This decrease followed increases between 2005/2006 and 2007/2008.

A decreasing majority of clients granted a Veteran's Pension transferred from New Zealand Superannuation, a pension or a main benefit

Seventy-one percent of clients granted a Veteran's Pension in 2009/2010 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 Veteran's 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 27%).

table VP.3: Length of periods since clients granted a Veteran's Pension last received any pension or main benefit

Period since client last received any pension or main benefit	Grants of Veteran's Pension ¹				
	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number	2009/2010 Number
None (clients transferring from another pension or district or from a main benefit) ²	1,152	1,279	1,439	1,017	413
Under 6 months	18	5	5	3	2
6–12 months	2	2	1	2	4
12–18 months	2	1	2	1	0
18 months–2 years	7	4	2	2	0
2–4 years	14	10	17	15	6
Had not received a pension or main benefit in previous 4 years	172	179	151	203	157
Total	1,367	1,480	1,617	1,243	582

Notes

- 1 Number of successful applications for a Veteran's Pension recorded in SWIFTT in years ended June.
- 2 Includes only a minority of transfers of pensions between districts. Most transfers between districts were accomplished without cancelling and re-granting pensions.

Trends in expenditure on Veteran's Pension

Expenditure on Veteran's Pension increased between 2005/2006 and 2009/2010

This increase slowed in 2009/2010 (see table VP.4). This reflected a decrease since early 2009 in the number receiving a Veteran's Pension.

The continuation of the increase in expenditure in 2009/2010 reflected:

- ongoing indexation-related rises in the average rate of payment
- the rising proportion of recipients who were receiving the (higher) single rate of payment
- an increased use of supplementary benefits (eg Disability Allowance) by recipients of a Veteran's Pension.

table VP.4: Annual expenditure on Veteran's Pension

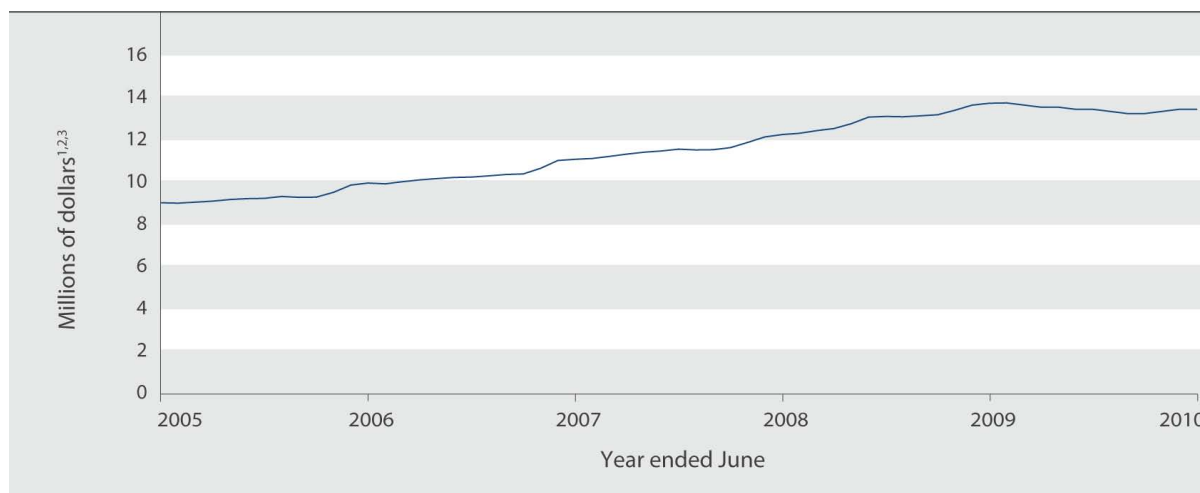
Year ended June	Expenditure on Veteran's Pension^{1,2,3} (\$m)
2005/2006	112
2006/2007	124
2007/2008	139
2008/2009	156
2009/2010	161

Notes

- 1 Expenditure on Veteran's Pension in years ended June, including expenditure on supplementary benefits provided to clients receiving a Veteran's Pension.
- 2 Expenditure shown is net of taxation, adjusted to payment periods based on a standard 30-day month and smoothed using a two-month moving average.
- 3 Expenditure data in this table differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

The monthly expenditure on Veteran's Pension showed little seasonal variation between 2005/2006 and 2009/2010

Figure VP.2 shows the impact of adjustments to the rate of Veteran's Pension as an accelerated increase in expenditure beginning in the last three months of each fiscal year.

figure VP.2: Monthly expenditure on Veteran's Pension**Notes**

- 1 Monthly expenditure on Veteran's Pension, including expenditure on supplementary benefits paid to clients receiving a Veteran's Pension.
- 2 Expenditure shown is net of taxation, adjusted to payment periods based on a standard 30-day month and smoothed using a two-month moving average.
- 3 Expenditure data in this graph differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

For more information on expenditure on Veteran's Pension, see table OT.5

This table shows trends since 1990 in expenditure on Veteran's Pension.

Child, Youth and Family

Introduction to Child, Youth and Family

Child, Youth and Family provides a range of services for children and young people

On 1 July 2006, the Department of Child, Youth and Family Services (CYF) joined MSD as a service line.

The work of CYF involves a variety of areas, including:

- Care and Protection Services
- development and funding of community services
- Prevention Services
- Youth Justice Services
- Adoption Services.

Care and Protection Services

Scope

Social work services, both statutory and informal, that protect and assist children and young people who are in need of care and protection.

Description

This service ensures the safety, security and wellbeing of children and young people who have been, or who are, at risk of being maltreated or whose behaviour is placing them or others at risk of harm. It fulfils the requirements of the *Children, Young Persons and Their Families Act 1989 (CYP&F Act)* and the *Care of Children Act 2004*. It also includes the provision of services to support other statutory responsibilities of the Chief Executive, such as providing reports to the Family Court under the Care of Children Act.

Care and Protection Services – Engagement and assessment

This activity includes the provision of social work services to deal with reports of concern about a child or young person received by the Ministry.

Engagement and assessment also includes intake and assessment services provided by the National Contact Centre.

What is a report of concern?

When a concern is expressed to CYF that a child or young person may be at risk of abuse, neglect or insecurity of care, CYF records a report of concern. CYF also receives reports of concern when there are concerns regarding a young person's behaviour.

A range of people contacts CYF with concerns about the safety or behaviour of children or young people. These people include:

- parents and family/whānau
- members of local communities
- schools
- Police, along with health and other agencies.

How are children's needs assessed, and what responses are available?

The services in this activity include an initial assessment to determine the immediate safety needs of the child or young person. The safety needs identified will determine whether a response is required and the nature and timing of that response.

There are three types of response: a formal investigation, a child and family assessment, and a partnered response involving the provision of services by a community organisation.

An investigation response is appropriate when the report of concern involves an allegation of serious child abuse or neglect that may require Police 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 part of our new suite of response options for families that we are introducing across the country. It 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. Having this option available 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 to identify strategies to respond to any issues.

Partnered response is used where a family could benefit from services rather than a formal CYF response. It recognises that many families are already receiving community-based services, and it is a way of providing an earlier, more comprehensive and coordinated response to their individual needs. CYF continues to be involved in ensuring this service provision occurs, and provides a safety net for community organisations and families if something goes wrong.

For a formal investigation or a child and family assessment, it is recognised that children under five years old are the most vulnerable group. The completion of investigations and assessments for this group is prioritised.

Trends in the number of care and protection reports of concern received

The total number of reports of concern received increased between 2005/2006 and 2009/2010

This increase (see table CY.1) highlighted:

- New Zealand's increased awareness of the need for the care and protection of children
- a growing willingness by communities to contact CYF where there are concerns for a child's welfare.

The number of reports of concern that required further action increased between 2007/2008 and 2009/2010 (see table CY.1). The increase in reports of concern requiring further action reflected the change in practice that occurred with the introduction of Differential Response in July 2009 and the pilot phase in the year earlier.

Differential Response requires social workers to carry out safety assessments before deciding whether an investigation or a child and family assessment is required. The change has allowed social workers more consideration of the family or whānau circumstances and improved the reliability of our decision-making.

The number of reports of concern requiring further action decreased between 2005/2006 and 2007/2008 (see table CY.1).

Forty-four percent of reports of concern received in 2008/2009 and 2009/2010 required further action (see table CY.1). This compared with 61% in 2006/2007.

table CY.1: Outcomes of initial assessments of Care and Protection reports of concern received

Outcome of initial assessment of report of concern	Number of reports of concern received ^{1,2}				
	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number	2009/2010 Number
Reports of concern requiring further action	46,541	43,845	40,739	49,224	55,494
Reports of concern not requiring further action	16,198	28,082	48,722	61,573	69,427
Total reports of concern received	62,739	71,927	89,461	110,797	124,921

Notes

1 Number of reports of concern received during the year ended June.

2 More than one report of concern recorded in the same year may involve the same child or young person.

Around half of the reports of concern requiring further action in recent years involved children aged 5–13 years

Of the reports of concern requiring further action between 2007/2008 and 2009/2010 (see table CY.2):

- between 48% and 50% involved children aged 5–13 years
- between 34% and 36% involved children under five years.

table CY.2: Ages of children and young people identified in Care and Protection reports of concern requiring further action

Age of child or young person identified in the report of concern	Reports of concern requiring further action ^{1,2}		
	2007/2008 Number	2008/2009 Number	2009/2010 Number
0–1 year	6,145	8,070	8,828
2–4 years	7,583	9,477	10,870
5–9 years	11,330	13,802	15,353
10–13 years	8,869	10,226	11,395
14–17 years	5,612	6,299	7,355
18 years or over	36	43	49
Not recorded	1,164	1,307	1,644
Total requiring further action	40,739	49,224	55,494

Notes

1 Number of reports of concern assessed as requiring further action during the year ended June.

2 More than one report of concern recorded in the same year may involve the same child or young person.

Of the children and young people identified in reports of concern requiring further action between 2007/2008 and 2009/2010:

- between 45% and 47% were Māori
- between 32% and 34% were New Zealand Pākehā
- 12% were Pacific children.

Trends in the findings of care and protection reports of concern

The proportion of investigations resulting in a finding of abuse or neglect continued to decrease.

Abuse or neglect was found in around two-fifths of the investigations following from reports of concern

Between 2006/2007 and 2009/2010 (see table CY.3):

- between 37% and 41% of investigations led to findings of abuse or neglect
- a further 9% to 10% of investigations found behavioural or relationship difficulties.

A very small number of investigations found self-harm or suicidal behaviour.

Emotional abuse accounted for an increasing proportion of abuse and neglect findings

Sixty percent of abuse and neglect findings in 2009/2010 were of emotional abuse (see table CY.3). This compared with 44% in 2005/2006.

table CY.3: Findings of investigations of Care and Protection reports of concern requiring further action

Type of finding	Findings from investigations of care and protection reports of concern ^{1,2}				
	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number	2009/2010 Number
Emotionally abused	6,142	8,256	8,664	10,938	12,535
Physically abused	2,336	2,274	2,321	2,855	2,886
Sexually abused	1,291	1,194	1,003	1,126	1,201
Neglected	4,199	4,486	4,302	4,677	4,403
Behavioural/relationship difficulties	4,657	4,461	4,154	4,256	5,007
Self-harm/suicidal	172	138	116	106	137
Not found	26,011	22,921	19,334	25,486	29,313
Total findings from investigations	44,808	43,730	39,894	49,444	55,482

Notes

- Findings of investigations completed in years ended June. Numbers may not relate to reports of concern received in that year.
- Number of investigation findings may not relate to:
 - number of children or young people (as there may be more than one investigation related to the same individual in the same year)
 - number of reports of concern assessed as requiring further action (as one investigation may address more than one such report of concern), or
 - number of investigations (as multiple findings may result from one investigation).

Care and Protection Services – Seeking safety and security

What services are involved, and how are they delivered?

This activity includes the provision of social work services resulting from decisions made through the investigation or child and family assessment processes. These processes result in decisions to do one or more of the following:

- enter into a family/whānau agreement. A family/whānau agreement is a contract or written agreement with a family. It provides services to a child or young person and their family to ensure that the wellbeing of the child or young person is addressed. It is intended to provide the minimum necessary level of intervention required to address the safety and protection of the child or young person.
- undertake a Care and Protection Family Group Conference (FGC). A Care and Protection FGC is a meeting convened by a Care and Protection Co-ordinator under section 20 of the CYP&F Act.
- take the matter to court. Care and protection proceedings are principally dealt with by the Family Court. The philosophy of the Family Court is to assist 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.
- refer the child or young person and their family to a partnered response.

MSD wants all children and young people to feel they belong and they are safe and secure in their permanent living arrangements. Wherever possible the Ministry supports their families to care safely for them, and supports extended families to provide care when children cannot live with their parents.

How do family/whānau agreements and FGCs promote the safety and security of children and young people?

Family/whānau agreements and Care and Protection FGCs are the means to:

- provide social work services that facilitate the participation, resolution and acceptance of responsibility by families for the safety and security of their children and young people
- encourage families to explore available and achievable care and protection options and to lead the decision-making process to agree on what options to take.

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 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 legislative requirements and the needs of children and young people.

How is partnered response used in care and protection?

Partnered response is a non-statutory form of intervention. A community provider delivers the services required to meet the needs of the child and their family, and the CYF Differential Response Co-ordinator facilitates the plan and monitors its progress through to completion.

Trends in the number of Care and Protection FGCs held

The number of Care and Protection FGCs increased between 2006/2007 and 2009/2010

This increase (see table CY.4) reflected growth in the same period in the number of new FGCs. The number of reconvened and review FGCs remained relatively stable in the same period.

The increased number of FGCs reflected the increased emphasis of CYF on:

- working with the family/whānau
- ensuring the family/whānau are supported to develop their own solutions to the issues they face.

table CY.4: Types of Care and Protection FGC held

Type of conference	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number	2009/2010 Number
	Number of new FGCs held ^{1,2}				
New FGCs held	4,447	4,425	4,866	5,481	5,885
	Number of other FGCs held ^{1,2}				
Reconvened FGCs	721	702	824	853	796
Review FGCs	1,099	1,110	1,552	1,333	1,479
Total other FGCs held	1,820	1,812	2,376	2,186	2,275
	All FGCs held ^{1,2}				
Total conferences held	6,267	6,237	7,242	7,667	8,160

Notes

- 1 Number of FGCs held during the years ended June.
- 2 Number of FGCs may not relate to numbers of children or young people, as there may be more than one FGC related to a particular individual in the same year.

Nearly two-fifths of new Care and Protection FGCs were concerned with children aged under five years

Between 2007/2008 and 2009/2010, between 34% and 37% of new FGCs were concerned with children aged under 5 (see table CY.5). Between 36% and 39% of new FGCs involved young people aged 10 to 17 years old.

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 ^{1,2}		
	2007/2008 Number	2008/2009 Number	2009/2010 Number
0–1 year	787	1,026	1,093
1–4 years	867	1,000	1,091
5–9 years	1,234	1,393	1,490
10–13 years	1,089	1,092	1,211
14–17 years	830	891	898
18 years or over	4	5	7
Not recorded	55	74	95
Total new FGCs held	4,866	5,481	5,885

Notes

- 1 Number of FGCs held during the years ended June.
- 2 Number of FGCs may not relate to number of children or young people, as there may be more than one FGC related to a particular individual in the same year.

Trends in the number of family/whānau agreements

The number of family/whānau agreements fluctuated between 2005/2006 and 2009/2010

This fluctuation (see table CY.6) reflected how the application of interventions changed from year to year.

table CY.6: Trends in the number of family/whānau agreements signed

	Number of agreements signed ¹				
	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number	2009/2010 Number
Total agreements	3,392	4,420	3,948	4,671	3,329

Note

1 Number of family/whānau agreements signed during the year ended June.

Over a third of the agreements signed in recent years concerned children aged less than five years old

Of the agreements signed between 2007/2008 and 2009/2010 (see table CY.7):

- 49% concerned children aged 5–13 years
- 35% concerned children aged under five years, including 16% concerned with children aged under one year.

table CY.7: Ages of children for whom family/whānau agreements were signed

Age of child when agreement signed	Number of agreements signed ¹		
	2007/2008 Number	2008/2009 Number	2009/2010 Number
0–1 year	631	799	537
2–4 years	742	873	650
5–9 years	1,138	1,330	942
10–13 years	810	988	687
14–17 years	567	593	456
18 years or over	8	10	4
Not recorded	52	78	53
Total agreements	3,948	4,671	3,329

Note

1 Number of family/whānau agreements signed during the year ended June.

During the same period, between 43% and 45% of agreements concerned Māori children. The proportion of agreements concerned with Pacific children increased in this period (from 15% to 20%), while the proportion concerned with New Zealand Pākehā children decreased (from 37% to 28%).

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. Creating permanency is the key to establishing a sense of stability and belonging for children and young people and to promote their wellbeing.

What does this activity involve?

It includes placements in family care, with CYF caregivers, in family homes and residences and with providers approved under section 396 of the CYP&F Act. It also includes the recruitment, assessment, training and review of caregivers.

What social work services are involved?

Social work services involve the development of care plans, which include permanency goals, and the delivery and supervision of services to assist children and young people to deal with the effects of maltreatment such as substance abuse, self-harm and suicidal behaviour.

This activity also includes applying strategies and interventions to reduce the likelihood of maltreatment reoccurring. These are agreed to via FGC plans and court orders.

The preferred approach is to find stable placements for children and young people within their own families.

When is Care and Protection residential care used?

Residential 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.

Trends in Care and Protection placements

The number of children and young people in care decreased between 2006 and 2010 (see table CY.8)

Over two-fifths of children in care were placed with family or whānau...

Of the children and young people in care between 2007 and 2010:

- between 42% and 44% were placed with family or whānau
- between 34% and 36% were placed with CYF caregivers
- around 15% were receiving care through CYF bednights in family homes or caregiver homes.

Children and young people achieve their greatest potential in homes where they are safe and secure and feel that they belong. When it is not possible to return a child or young person to the care of their parents, we want to find them a home for life where they will feel loved, wanted and valued. Creating a home for life for these children and young people is the key to establishing a sense of belonging and promoting their wellbeing.

CYF bednights are provided to a child or young person in the custody of the Chief Executive of MSD or of Child and Family Support Services. Care is provided in family homes or caregiver homes by CYF caregivers or caregivers working for non-government providers. Many of these caregivers have specialist skills to provide for children with complex or high needs.

table CY.8: Types of placement of children and young people in care

Placement type	Number of children and young people in Care and Protection placements ¹				
	2006 Number	2007 Number	2008 Number	2009 Number	2010 Number
CYF bednights	781	703	667	659	630
CYF caregiver placement	1,976	1,824	1,523	1,540	1,512
Family home placement	221	218	177	168	160
Others	99	78	128	111	144
Residential placement – CYF residence	43	57	45	34	46 ⁴
Family/whānau placement	1,983	2,164	1,982	1,896	1,746
Total	5,103	5,044	4,522	4,408	4,238

Note

1 Number of children and young people in Care and Protection placements as at 30 June.

... and around a quarter were aged under five years old

Of the children and young people in care between 2006 and 2010 (see table CY.9):

- just over half (between 51%–53%) were aged 5–13 years
- between 23%–26% were aged under five years.

4. This includes 10 young people placed on the Severe Conduct Disorder Program.

table CY.9: Ages of children and young people in care

Age of child or young person	Number of children and young people in care and protection placements ¹		
	2008 Number	2009 Number	2010 Number
0–1 year	398	421	420
2–4 years	660	664	670
5–9 years	1,197	1,175	1,080
10–13 years	1,204	1,122	1,092
14–17 years	1,044	1,011	964
18 years or over ²	19	15	12
Total	4,522	4,408	4,238

Note

1 Number of children and young people in care and protection placements as at 30 June.

2 Young people aged 18 years will have special orders in place that allow CYF guardianship to age 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, containment and care of young offenders.

Description

Youth Justice Services are provided to children and young people who come under Part IV of the CYP&F Act. This service covers:

- 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 ⁵
- the provision of services to assist families to exercise their care and control responsibilities.

The Fresh Start initiatives provide a wide range of options to hold young offenders to account and to provide more intensive, sustained and individualised support to assist them to make long-term positive changes. Legislative changes will allow longer supervision orders, particularly for those involving placement in residences or supervision with activities. Fresh Start also includes early intervention initiatives targeting children and young people who are at the lower end of the offending scale or who are at risk of getting into trouble.

Youth Justice Services – Engagement and assessment

This activity includes consultation with the Police, the receipt of Police referrals for Youth Justice FGCs, and the receipt of formal directions for Youth Justice FGCs from the Youth Court.

It includes:

- discussions with the Police about young offenders who have committed minor offences and who may be diverted to less formal processes than a Youth Justice FGC
- receipt from the Police of referrals for Youth Justice FGCs on the basis that they intend to charge the young people concerned
- receipt of court-ordered referrals for Youth Justice FGCs
- 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.

5. 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 CYF, holds the authority to place young prisoners, under the age of 17 years and sentenced to imprisonment, from prison to the Criminal Justice Unit.

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 conferences and any orders of the court.

The Youth Justice FGC process is designed to ensure an appropriate and agreed action plan is developed to:

- reflect offender accountability
- repair harm caused
- improve the young offender's life outcomes
- help prepare social work reports and plans to provide input to Youth Court hearings.

Youth Justice Services – Changing behaviour and enhancing wellbeing

This activity includes the funding and provision of services and programmes to support Youth Justice FGC plans and court orders to address offending and to reduce the likelihood of the recurrence of offending.

It also includes the provision of services for placing young offenders with social worker-approved caregivers (including family caregivers), approved CYF service providers, youth justice residences and the National Secure Unit.

It comprises the provision of:

- services to support Youth Court hearings
- services and programmes to support Youth Justice FGCs
- services relating to the placement of young offenders.

Services to support Youth Court hearings include:

- preparing social work reports and plans and providing input to Youth Court hearings
- managing the outcomes of court appearances and Youth Justice FGCs
- cancelling, varying or suspending Youth Court orders.

Services and programmes to support Youth Justice FGCs include:

- day-based education and activities, culturally relevant counselling and other specialist remedial services for youth justice clients. This includes early intervention initiatives for children and young people who are at the lower end of offending or who are at risk of getting into trouble
- Fresh Start initiatives providing a wide range of options to hold young offenders to account and to provide more intensive, sustained and individualised support to assist long-term positive change
- services to assist families to better exercise their control responsibilities and associated care responsibilities. The services include restorative programmes associated with placements in detention in the Sex Abusers Unit, in Youth Justice Residences and in the National Secure Unit
- Youth Services Strategy Rehabilitation programmes, for example behavioural group homes and one-on-one specialised caregivers.

Services relating to the placement of young offenders involve organising and reviewing Youth Justice placements, including those of young people in Police cells.

Trends in the number of Youth Justice FGCs held

The number of Youth Justice FGCs decreased between 2007/2008 and 2009/2010

This decrease (see table CY.10) largely reflected a decrease in the number of new FGCs being held. The decrease reflected a reduction in court referrals in the second half of the fiscal year 2009/2010. CYF has focused on reducing repeat FGCs, which has resulted in a 10% decrease.

The number of FGCs held fluctuated between 2005/2006 and 2007/2008. Of the conferences held between 2005/2006 and 2009/2010, around 85% were new.

table CY.10: Types of FGC held

Types of Youth Justice FGC	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number	2009/2010 Number
	Number of new FGCs held ^{1,2}				
Total new FGCs held	7,870	7,803	7,964	7,439	7,139
	Number of other FGCs held ^{1,2}				
Reconvened FGCs	1,243	1,242	1,113	1,172	1,037
Review FGCs	94	114	119	118	113
Total other FGCs held	1,337	1,356	1,232	1,290	1,150
	All FGCs held ^{1,2}				
Total FGCs held	9,207	9,159	9,196	8,729	8,289

Notes

1 Number of FGCs held in years ended June.

2 Number of FGCs may not relate to number of children or young people, as there may be more than one FGC related to a particular individual in the same year.

Ninety-seven percent of the new Youth Justice FGCs held between 2007/2008 and 2009/2010 were concerned with 14–17 year olds (see table CY.11).

table CY.11: Ages of young offenders involved in Youth Justice FGCs

Age of child or young person ³	Number of new FGCs held ^{1,2}		
	2007/2008 Number	2008/2009 Number	2009/2010 Number
10–13 years	219	204	224
14–17 years	7,723	7,225	6,908
18 years or over	10	8	6
Not recorded	12	2	1
Total new FGCs held	7,964	7,439	7,139

Notes

1 Number of new FGCs held in years ended June.

2 Number of FGCs may not relate to number of children or young people, as there may be more than one FGC related to a particular individual in the same year.

3 Age of child or young person is as at the time of the FGC, and may not reflect their age at the time of the offending that led to the conference.

Between 2006 and 2010, the proportion of conferences that were concerned with young Māori offenders increased from 45% to 53%. Over the same period, between 29% and 31% of FGCs were concerned with New Zealand Pakeha offenders, and about 10% with Pacific people.

Children and young people assisted by CYF

When and how are children and young people assisted by CYF?

The Care and Protection services outlined above range from assessing reports of concern to investigation, interventions and care. The Youth Justice services outlined above range from handling referrals from the Police and courts to convening and holding FGCs and implementing and monitoring the activities set out in FGC plans and Youth Court orders.

Information below on the number of children and young people assisted by CYF includes all of the above situations.

Trends in the number of current clients

The number of current CYF clients increased sharply between 2009 and 2010

This increase (see table CY.12) reflected a combination of:

- a higher number of reports of concern being recorded that required further action
- the implementation of initiatives such as partnered response, which extended the periods over which children and young people were clients of CYF.

Partnered Response is a community-based approach to supporting children and their families. This extended our non-statutory involvement with children, young people and their families and therefore extended the periods over which they were clients.

table CY.12: CYF clients by age

Age of client at 30 June	Number of current clients of care and protection, youth justice and adoption services as at 30 June ¹		
	2008 Number	2009 Number	2010 Number
0–1 year	2,492	2,523	3,765
2–4 years	3,985	3,823	5,702
5–9 years	6,441	6,295	8,491
10–13 years	5,510	5,182	6,851
14–17 years	7,168	6,557	7,826
18 years or over	1,679	1,782	1,883
Not recorded	287	251	524
Total	27,562	26,413	35,042

Notes

1. Number of children and young people being assisted by CYF at 30 June.

Between 2008 and 2010, around 46% of CYF clients were Māori and around 36% were New Zealand Pakeha. Around 10% of clients were Pacific people.

Services to students

Services provided to students

MSD provides Student Support payments to students through its StudyLink service line. Students who qualify for a main benefit receive assistance through Work and Income.

What assistance is available for students through StudyLink?

The assistance to students available through StudyLink comprises:

- the Student Allowance
- Student Loans
- the Accommodation Benefit (available under the Student Allowance scheme)
- main benefits during study breaks
- supplementary assistance and emergency assistance
- scholarships
- job search assistance during study breaks⁶.

Who is eligible to receive this assistance?

In general terms, the eligibility of a student for StudyLink assistance depends on:

- the student being enrolled in an approved course at an approved education provider
- (for some types of assistance) the age and circumstances of the student and their family.

Detailed information on eligibility for each type of assistance is given in the following sections.

Note – the statistics and operational/eligibility information are for calendar years 2005–2009

Current eligibility criteria can be viewed at www.studylink.govt.nz.

This report entered production before the end of the 2010 academic year. Because of this:

- the statistics for services to students cover the calendar years 2005 to 2009
- operational and eligibility information is for the same period.

6. MSD contracts Student Job Search to provide assistance to tertiary students looking for holiday and in-term employment. Work and Income also assists students in areas where Student Job Search is not available.

Student Allowance

The Student Allowance provides assistance 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. It aims to ensure that the need to meet day-to-day living expenses does not act as a barrier to full-time education for students from low- and middle-income groups.

Eligibility

To receive a Student Allowance, a student must be:

- enrolled as a full-time student (with some exceptions for limited full-time study)
- on a recognised programme at an approved education provider.

In addition, students must be aged 18 years or over, or aged 16–17 years in some circumstances.

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 study⁷. Once they have used this, they cease to be eligible. A student may receive an extension to their 200-week limit if they:

- are enrolled in a Recognised Long Programme⁸
- are retraining for employment in a programme of national interest, or
- need further weeks beyond the 200-week limit because of special circumstances.

From 1 January 2007, PhD and professional doctorates were added to the list of Recognised Long Programmes. This provided students undertaking these qualifications with 156 weeks of Student Allowance in addition to the standard 200 weeks.

7. A Student Allowance paid for study at 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.

8. 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

Residency tests apply. To receive a Student Allowance, a student must be:

- a New Zealand citizen, or
- a permanent resident of New Zealand who has:
 - lived in New Zealand for at least two years, and
 - held permanent residency status for at least two years, 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 partner⁹ (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).

Prior to 1 January 2009, the age 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

In order to secure continued access to a Student Allowance, a student must:

- 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 2009 and 31 March 2010. The maximum rates of Student Allowance are adjusted each year by the CPI with effect from 1 April each year.

9. From 1 April 2007, clients in same-sex de facto relationships were 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 2009)

Type of Student Allowance	Status	Net amount per week
Single		
Single – parentally income tested ^{1,2}	Away from home	Up to \$158.65
	At home	Up to \$126.92
Single – not parentally income tested	Away from home	\$190.39
	At home	\$152.30
Independent circumstances allowance		\$158.65
Student with dependent child(ren)		\$272.70
Couple		
Both students	1 eligible	\$190.39
	Both eligible (each)	\$158.65
Student with dependent partner, no children		\$317.30
Both students with dependent child(ren)	1 eligible	\$272.70
	Both eligible (each)	\$158.65
Student with dependent partner and child(ren)		\$317.30
Student with earning partner	Away from home	\$102.46
	At home	\$68.78

Notes

- 1 The maximum amount of Student Allowance payable depends on the income of the student's parent(s). From this maximum, the Student Allowance is abated for the student's personal income in the same way as for other students.
- 2 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' income for Student Allowances for students aged 16–23 years.

From 1 April 2009, the parental, personal and couple income thresholds were reviewed as part of the annual CPI adjustment.

Trends in the number of students receiving a Student Allowance

The number receiving a Student Allowance increased steeply between 2008 and 2009

This increase (see table SA.2) reflected rising student numbers, which in part reflected reduced employment options during the economic recession.

This followed slower increases between 2005 and 2008. 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.

Single students aged under 25 years formed a small majority of those receiving a Student Allowance between 2006 and 2009

Fifty-five percent of Student Allowance recipients in 2009 were single and aged under 25 years (see table SA.2). This compared with 49% in 2005.

Between 2008 and 2009, the proportion who were single and aged 25 years or over increased slightly (from 26% to 29%).

table SA.2: Types of Student Allowance received

Type of Student Allowance received	Students receiving a Student Allowance ¹				
	2005 Number	2006 Number	2007 Number	2008 Number	2009 Number
Single – parentally income tested ² away from home	17,586	18,851	21,158	23,202	26,872
Single – parentally income tested ² at home	10,295	11,404	12,704	14,031	18,280
Single – not parentally income tested away from home	15,013	14,887	14,467	14,845	20,249
Single – not parentally income tested at home	1,873	1,959	1,987	2,110	3,456
Single – student in independent circumstances	2,438	2,187	2,121	2,071	2,205
Single – student with dependent child(ren)	1,522	1,542	1,572	1,583	1,868
Couple – both students ³	1,543	1,684	1,622	1,279	1,512
Couple – student with dependent partner ³	5,412	5,638	5,524	5,288	6,497
Couple – student with earning partner ³	1,129	1,307	1,350	1,296	1,699
Total	56,811	59,459	62,505	65,705	82,638

Notes

- 1 Number of students recorded as receiving a Student Allowance during years ended 31 December.
- 2 Students aged 16–24 years to 31 December 2008; students aged 16–23 years from 1 January 2009.
- 3 Includes couples both with and without children.

Trends in expenditure on Student Allowance

Expenditure on Student Allowance increased steeply between 2008 and 2009

This increase (see table SA.3) largely reflected changes in the number of students receiving a Student Allowance.

Expenditure on Student Allowance increased slowly between 2005 and 2008.

table SA.3: Annual expenditure on Student Allowance

	Expenditure on Student Allowance ¹				
	2005	2006	2007	2008	2009
Total expenditure (\$m)	318	341	358	370	472

Notes

1 Expenditure on Student Allowance (excluding Accommodation Benefits) for years ended 31 December.

Accommodation Benefit

The Accommodation Benefit is a contribution towards accommodation costs faced by students. The benefit is paid under the Student Allowances Scheme and is different from the Accommodation Supplement paid by Work and Income.

Students are entitled to an Accommodation Benefit 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 HNZC.

The exact rate of Accommodation Benefit available depends on the region where the student lives. The maximum payments of Accommodation Benefit available are:

- \$60 per week for single students with a child or children
- \$40 per week for other students.

Student Loan¹⁰

What costs loans may cover

The Student Loan Scheme was introduced in 1992 to ensure that the costs of study were not a barrier to students undertaking tertiary study.

Accessibility of funds through a Student Loan

a student loan may cover:

- course fees
- course-related costs (eg textbooks)
- living costs.

What levels of assistance can be accessed through Student Loans?

Limits have been established that prescribe the maximum drawings that students may make from their Student Loan (see table SL.1).

table SL.1: Maximum amounts available for a Student Loan, by component (applicable from 1 April 2009)

Component of Student Loan	Maximum amount available
Course fees (annual) ¹	Total fee cost
Course-related costs (annual) ²	\$1,000.00
Living costs (weekly) ³	\$160.24

Notes

- 1 Payment of fees is reduced by any Training Incentive Allowance (available to some core benefit recipients) that is provided to pay fees.
- 2 Payment of course-related costs is reduced by some of the Training Incentive Allowance (available to some core benefit recipients) that is provided to pay course-related expenses.
- 3 Payment of living costs is restricted to periods when the student is studying full time and is reduced by any Student Allowance payments received.

The living cost component of a Student Loan available is reduced by the amount of Student Allowance that the student receives.

10. Further information on the use of the Student Loan Scheme is available from the *Student Loan Scheme Annual Report*, published by the Ministry of Education. This report contains information on the use of the Student Loan Scheme that is supplied by the Ministry of Education, StudyLink and Inland Revenue, and can be viewed at <http://www.educationcounts.govt.nz/publications/series/2555>.

Who is eligible to access a Student Loan?

A Student Loan is available to people who are:

- on 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.

Students studying between 0.25 and 0.3 EFTS can access a Student Loan for fees only¹¹.

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.

Income and residency tests

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.

A number of changes to the residency criteria for Student Loans were implemented from 1 January 2011. The current eligibility criteria can be viewed at <http://www.studylink.govt.nz>.

Student Loans are not income tested.

Eligibility to access a Student Loan for some purposes is more restricted

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 unless they are on home detention.

11. 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.

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.

Note – the Student Loan statistics below reflect drawings in the calendar year only

This information does not reflect:

- drawings that these students may have made against Student Loans in earlier years, or
- total levels of debt that students had accumulated through the Student Loan Scheme.

Number and characteristics of recipients

The number of students using a Student Loan increased steeply between 2008 and 2009

This increase (see table SL.2) reflected at least in part the increased number of students enrolled for approved education or training.

The number of students using Student Loans increased more slowly between 2006 and 2008.

A large majority of students using a Student Loan in this period drew less than \$10,000 per year

Seventy-six percent of students making drawings in 2009 drew less than \$10,000 in that year (see table SL.2). This compared with 79% in 2005.

This slight decrease in the proportion drawing less than \$10,000 in a year was likely to reflect, at least in part, the impacts of price inflation during this period.

table SL.2: Annual amount per student drawn against a Student Loan

Annual amount drawn	Students making drawings against a Student Loan ¹				
	2005 Number	2006 Number	2007 Number	2008 Number	2009 Number
Under \$5,000	67,095	68,302	66,813	64,944	69,613
\$5,000–\$9,999	55,573	61,536	64,962	69,218	80,736
\$10,000–\$14,999	28,815	33,419	37,567	39,633	42,715
\$15,000–\$19,999	1,937	2,720	3,149	3,288	4,102
\$20,000–\$29,999	537	905	736	798	997
\$30,000–\$39,999	153	212	220	195	228
\$40,000–\$49,999	135	139	133	161	125
\$50,000 or over	166	187	211	296	222
Total	154,411	167,420	173,791	178,533	198,738

Notes

1 Number of students recorded as making drawings against a Student Loan during years ended 31 December.

A minority of students using a Student Loan between 2005 and 2009 was also receiving a Student Allowance

Around 35% of students using a Student Loan in 2009 were also receiving a Student Allowance (see table SL.3). This compares with 30% between 2005 and 2008.

Of the users of a Student Loan who also received a Student Allowance, most were single and around half were receiving a parentally income-tested allowance.

table SL.3: Types of Student Allowance received by students making drawings against a Student Loan

Type of Student Allowance received when drawing made	Students making drawings against a Student Loan ¹				
	2005 Number	2006 Number	2007 Number	2008 Number	2009 Number
Single – parentally income tested ² away from home	14,989	16,497	18,436	20,154	23,912
Single – parentally income tested ² at home	7,489	8,868	10,052	11,281	14,803
Single – not parentally income tested away from home	12,154	12,307	11,899	11,869	17,062
Single – not parentally income tested at home	1,407	1,521	1,577	1,649	2,878
Single – student in independent circumstances	1,993	1,915	1,745	1,656	1,886
Single – student with dependent child(ren)	1,254	1,289	1,227	1,235	1,542
Couple – both students ³	1,263	1,429	1,303	986	1,107
Couple – student with dependent partner ³	4,010	4,186	3,813	3,649	4,733
Couple – student with earning partner ³	872	1,079	1,072	1,049	1,446
Not receiving any Student Allowance	108,980	118,329	122,667	125,005	129,369
Total	154,411	167,420	173,791	178,533	198,738

Notes

1 Number of students recorded as making drawings against 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 51% and 53% of students accessing a Student Loan were attending universities (see table SL.4). For the years prior to 2007, table SL.4 includes those attending colleges of education among students attending universities.

Around another 24% of the students accessing a Student Loan were attending institutes of technology and polytechnics (see table SL.4).

table SL.4: Types of institution attended by students making drawings against a Student Loan

Type of institution attended when drawing made against Student Loan	Students making drawings against a Student Loan ¹				
	2005 Number	2006 Number	2007 Number	2008 Number	2009 Number
University ²	78,922	85,412	91,432	94,585	103,674
Institute of technology or polytechnic	37,243	39,041	40,415	42,009	50,686
Private training establishment	30,633	36,256	35,270	35,151	35,677
Wānanga	4,466	3,544	3,477	3,422	4,490
More than one institution ³	3,145	3,167	3,197	3,366	4,211
Unknown	2	0	0	0	0
Total	154,411	167,420	173,791	178,533	198,738

Notes

- 1 Number of students recorded as making drawings against 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.

Trends in the purpose of drawings against a Student Loan

Note – the number of students using each component does not add to the total number of students making drawings

Most students made drawings against more than one Student Loan component (eg course fees and living costs) during the same academic year. Adding the number of students using each Student Loan component would count many students more than once.

The number of students making drawings for each purpose increased between 2005 and 2008

This increase (see table SL.5) reflected increases in the total number of students making drawings against a Student Loan.

This increase may also have reflected the removal of interest charges from most Student Loans from 1 April 2006.

table SL.5: Number of drawings made against Student Loan components

Student Loan component	Number of students making drawings against a Student Loan component ¹				
	2005 Number	2006 Number	2007 Number	2008 Number	2009 Number
Course fees	143,406	156,236	160,855	166,112	185,745
Course-related costs	94,782	103,553	103,651	105,046	124,944
Living expenses	73,668	80,921	87,175	88,850	97,229

Note

1 Number of students making drawings against a Student Loan component during years ended 31 December.

Scholarships

Step Up Scholarships

The Step Up Scholarship Scheme was aimed at first-time tertiary students from low-income backgrounds studying specified full-time Bachelor degree courses.

Step Up Scholarships were piloted by StudyLink from 2004 and disestablished as part of Budget 2009. The last Step Up Scholarships were awarded in 2009. Students already awarded a Step Up Scholarship will continue to receive it for the full tenure, as long as they continue to meet the terms and conditions of their scholarship.

The scholarship helps to pay the compulsory fees for specified full-time Bachelor degree courses.

The scope of the Step Up Scholarship Scheme was expanded in 2008

Step Up Scholarships were initially limited to students enrolled in specified degrees in:

- human or animal health, or
- science or technology.

The scheme was expanded in 2008 to include:

- any degree-level course, or
- (for students who had successfully completed tertiary qualifications at a lower level) students commencing specified degrees.

In 2009, 694 scholarships were awarded.

Who was eligible to be considered for a Step Up Scholarship?

To be awarded a Step Up Scholarship from 2008 to 2009, a student needed to be:

- entitled to, and have applied for or be receiving, a Student Allowance
- under 25 years old at the start of their course.

In addition, they needed to be:

- a first-time tertiary student commencing a Bachelor degree, or
- a student commencing a specified Bachelor degree having successfully completed a lesser tertiary qualification.

To be awarded a Step Up Scholarship between 2004 and 2007, a student needed to:

- be entitled to, and have applied for or be receiving, a Student Allowance
- have course costs of at least \$3,000 per year
- start each year of study between January and March
- be aged 16–24 years for human or animal health study, or have left secondary school within the previous two years for science or technology study.

Terms and conditions of the scheme

Recipients were required to:

- make contributions towards their tuition fees for each year they received their scholarship
- stay in New Zealand for a period after completing their qualifications.

Contributions toward tuition fees could be paid using Student Loans.

Between 2004 and 2007, the requirement was for a contribution from a student of:

- \$2,000 per year for science and technology courses
- \$1,000 per year for human or animal health courses.

Following the expansion of the scheme in 2008, the contribution was set at \$1,000 per year for all recipients.

Recipients who did not stay in New Zealand for the applicable period after completing their qualifications were required to repay part of the scholarships.

Bonded Merit Scholarships

Bonded Merit Scholarships recognised academic achievement and supported top tertiary students from the second year of their Bachelor degree study. The aim of Bonded Merit Scholarships was to provide an incentive for high-achieving students to remain in New Zealand once they completed their study.

The scholarships paid \$3,000 each year towards recipients' course fees for a maximum of four years.

In 2009, 1,500 Bonded Merit Scholarships were awarded.

These scholarships were introduced in 2006 and disestablished as part of Budget 2009. The last Bonded Merit Scholarships were awarded in 2009. Students already awarded a Bonded Merit Scholarship will continue to receive it for the full tenure, as long as they continue to meet the terms and conditions of their scholarship.

Who was eligible to be considered for a Bonded Merit Scholarship?

To be eligible, a student had to have achieved a B-grade average or higher in the first year of their Bachelor degree. Those awarded a scholarship needed to maintain a B-grade average or higher to receive the payment in the following years.

Terms and conditions of the scholarship

Students who received the Bonded Merit Scholarship were bonded to remain in New Zealand for a period after they completed their degrees.

Recipients were required to repay a portion of the scholarship if they:

- did not successfully complete their study, or
- did not remain in New Zealand for the applicable period after completing their qualifications.

Other scholarships

StudyLink is responsible for administering the payments for the following scholarships:

- Family and Community Services (FACS) Study Awards.
- NZQA Monetary Awards¹².
- TeachNZ.

The recipients of these scholarships are decided by FACS, NZQA and the Ministry of Education respectively.

12. 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

Main benefits through StudyLink

StudyLink primarily administers and assesses eligibility for Unemployment Benefits – Student – Hardship.

StudyLink also assesses the eligibility for Unemployment Benefits and Emergency Benefits of 16- and 17-year-olds who:

- have been receiving a Student Allowance, or
- have not previously been in full-time study.

Unemployment Benefits – Student – Hardship

Unemployment Benefits – Student – Hardship are 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 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 must 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 are required 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.

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:

- provide assistance to tertiary students looking for holiday and in-term employment
- assist in the administration of the Unemployment Benefit – Student – Hardship.

Work and Income also assists students in areas where Student Job Search is not available.

During the summer holiday period, StudyLink, Work and Income and Student Job Search work together on a range of initiatives to assist tertiary students to gain 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.

Student Allowance Transfer Grant

What is the Student Allowance Transfer Grant?

A Student Allowance Transfer Grant is available to clients (or their partners) if they are in hardship during the stand-down week between ceasing 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.

Who can receive a Student Allowance Transfer Grant?

To qualify for a 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 2010)

Circumstances of client ¹	Income limit ²	Asset limit ³
Married couple, without dependent children	\$391.56	\$1,617.73
Married couple, with dependent children	None	\$1,617.73
Sole parent, with 1 child	None	\$1,274.79
Sole parent, with 2 or more children	None	\$1,369.39

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 2010.

3 Asset limits at 1 April 2010.

Payment rate for Student Allowance Transfer Grant

The amount of the 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).

Trends in the number of payments of Student Allowance Transfer Grant

The number of grants paid increased between 2008/2009 and 2009/2010

This increase (see table TG.2):

- reflected increases in the number of students during the same period
- followed a relatively stable number of grants between 2007/2008 and 2008/2009.

Almost all of the recipients of a grant provided between 2005/2006 and 2009/2010 were taking up other main benefits

The overwhelming majority of these students (see table TG.2) were transferring to an Unemployment Benefit – Student – Hardship.

The use of and expenditure on grants was highly seasonal, with nearly 90 per cent of these grants made between November and January.

table TG.2: Trends in the types of main benefit applied for by clients granted a Student Allowance Transfer Grant

Type of main benefit applied for when Student Allowance Transfer Grant granted	Payments of Student Allowance Transfer Grant ¹				
	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number	2009/2010 Number
Unemployment Benefits ²	142	92	51	27	76
Carer's benefits ³	64	64	54	62	69
Sickness-related benefits ⁴	29	17	22	23	25
Invalid's Benefit	0	6	1	1	2
Other main benefits ⁵	1,318	1,142	973	1,000	1,349
No main benefit ^{5, 6}	4	9	9	10	19
Total	1,557	1,330	1,110	1,123	1,540

Notes

- 1 Number of Student Allowance Transfer Grants provided in years ended June.
- 2 Comprise Unemployment Benefit and Unemployment Benefit – Hardship.
- 3 Comprise Domestic Purposes Benefit – Sole Parent, Domestic Purposes Benefit – Care of Sick or Infirm, Domestic Purposes Benefit – Women Alone and Emergency Maintenance Allowance.
- 4 Comprise Sickness Benefit and Sickness Benefit – Hardship.
- 5 Comprise Unemployment Benefit – Training, Unemployment Benefit – Hardship – Training, Unemployment Benefit – Student – Hardship, Independent Youth Benefit, Widow's Benefit and Emergency Benefit.
- 6 Include clients receiving an Unsupported Child's Benefit or an Orphan's Benefit.

Expenditure on Student Allowance Transfer Grant

Expenditure on these grants increased steeply between 2008/2009 and 2009/2010

This increase (see table TG.3) reflected:

- a steep increase in the number of grants in the same period
- the continuation of slow increases in average payment levels that were evident from 2005/2006 to 2008/2009.

This increase followed a smaller increase between 2007/2008 and 2008/2009.

table TG.3: Trends in annual expenditure on Student Allowance Transfer Grant

	Expenditure on Student Allowance Transfer Grant ¹				
	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number	2009/2010 Number
Total expenditure (\$000)	380	327	278	294	417
Average value per payment (\$)	244	246	251	261	271

Note

1 Expenditure on Student Allowance Transfer Grant recorded in SWIFTT during the year ended June.

Other services

Community Services Card

What is the Community Services Card?

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.

Who can receive a Community Services Card?

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 in order to complete the income test for a card. Many eligible applicants have their cards automatically renewed once the first application has been made.

What services from doctors are cards used for?

Treatment and prescriptions can be received at reduced costs by using the card.

Doesn't everyone have low-cost access without a card through their own doctor?

Since 1 July 2007 everyone enrolled with a primary health organisation (PHO) has received low- or reduced-cost services from their own PHO without using a card.

People use the card when they:

- are seeking 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 who are changing from one PHO practice to another.

Without a card, these patients would be treated as casual patients and charged higher fees for services.

What other services can be obtained using a Community Services Card?

Other services are targeted using the card. These include:

- **family planning** – cardholders aged 22 years and over are charged 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 National Travel Assistance Scheme
- **oral health** – emergency dental services (for relief of pain and infection) are provided either free or at a reduced cost to cardholders. 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) per year towards the price of spectacles and eye examinations for children 15 years and under who are covered by a Community Services Card
- **other health services targeted to cardholders by individual DHBs** – the services targeted in this way are 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 termination of a pregnancy.

Some local councils and private organisations also offer discounts to Community Services Card holders.

Trends in the number of Community Services Cards on issue

The number of cards on issue increased between 2008 and 2010

This increase (see table CS.1) largely reflected increases in the number of students and benefit recipients holding cards. This in turn reflected the impact of:

- growth in the number receiving a main benefit as a result of the 2008–2010 recession
- an increased number of students enrolled in tertiary study.

The number of cards on issue decreased between 2006 and 2008.

Between 2008 and 2010, cardholders became slightly more likely to be benefit recipients

Forty-three percent of people holding a Community Services Card in 2010 were receiving a main benefit (see table CS.1). This compared with 36% in 2008.

This change reflected an increase in the number receiving a main benefit.

There was a corresponding fall in the proportion of cardholders who were receiving New Zealand Superannuation (from 30% to 26%).

table CS.1: Categories of clients holding a Community Services Card

Category of client	Community Services Cards on issue ^{1,2}				
	2006 Number	2007 Number	2008 Number	2009 Number	2010 Number
Low-income earners and students not receiving a Student Allowance ³	67,848	56,850	45,080	35,526	31,236
Family Support/Family Tax Credit recipients ⁴	153,437	176,611	189,533	189,914	180,592
Veteran's Pension recipients	6,900	8,023	7,869	10,041	9,924
Students ³	41,367	48,134	36,506	46,756	66,445
Main benefit recipients ⁵	384,715	363,680	359,238	411,402	442,498
New Zealand Superannuation recipients ⁶	301,883	296,117	288,438	272,920	266,605
Residential Care Subsidy recipients	21,940	21,147	19,062	25,082	24,899
Families not receiving Family Support/Family Tax Credits	23,348	19,090	12,642	13,188	13,836
Total	1,000,639	989,652	958,368	1,004,829	1,036,035

Notes

- 1 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 have changed.
- 2 The number of Community Service 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 that were being used following changes in client circumstances.
- 3 Since June 2003, most students who receive a Student Allowance have had a card automatically issued. Students who are 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' include students receiving an Unemployment Benefit – Student – Hardship or an Emergency Benefit, and includes children in receipt of a Disability Allowance who receive their own card.
- 6 Because of income testing of Community Services Cards, not all recipients of New Zealand Superannuation are eligible to receive a card.

SuperGold Card

What is the SuperGold Card?

The SuperGold Card is a discount and concessions card issued to all eligible seniors and veterans. It is issued in recognition of the contributions they 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.

Free off-peak travel on buses, trains and ferries has been available to SuperGold Card holders since 1 October 2008. This concession excludes inter-regional travel and is funded by the New Zealand Transport Agency.

Nearly 15 million free off-peak trips were taken by SuperGold Card holders between 1 October 2008 and 30 June 2010.

In the year from 1 July 2009 to 30 June 2010, nearly nine million free off-peak trips were taken.

Who is eligible for a SuperGold Card?

In order 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 Veteran's 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 renewing a SuperGold Card that includes a Community Services Card entitlement, clients must complete an income assessment. This confirms that they are still eligible for the Community Services Card.

How long are SuperGold Cards valid for?

Prior to 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 indicate 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.

Photo SuperGold Cards are available

Since October 2007, SuperGold Card holders have had the option of having a photograph added to their card.

Two percent (12,131) of the 556,183 SuperGold Card holders at 30 June 2010 had had a photograph added to their 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. As at 30 June 2010 there were 1,212 business partners and 5,293 outlets.

Trends in the number of SuperGold Cards on issue

The number of SuperGold Cards on issue increased between 2008 and 2010

This increase (see table SG.1) reflected:

- ongoing uptake of the card
- the ageing of the population, which meant more people became eligible for the card.

Fifty-five per cent of the cards on issue at the end of June 2010 included an entitlement to a Community Services Card (see table SG.1).

table SG.1: Categories of current SuperGold Card holders

SuperGold Cards with and without Community Services Card inclusion	2008 Number	2009 Number	2010 Number
SuperGold Card with Community Services Card inclusion	321,293	311,132	303,312
SuperGold Card with no Community Services Card entitlement	203,915	227,751	252,871
Total SuperGold Cards on issue	525,208	538,883	556,183

International Services

Payment overseas of New Zealand Superannuation, Veteran's Pension and main benefits

What provisions allow New Zealand Superannuation, Veteran's Pension and main benefits to be paid overseas?

There are three main provisions that allow social security payments 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 payments of New Zealand Superannuation and Veteran's Pension.

Social security agreements also cover payments 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 residence requirements for some New Zealand benefits and pensions.

This means that:

- 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 social security agreements with New Zealand.

With which countries does New Zealand have a social security agreement?

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 current agreements follow.

Australia

This agreement covers:

- New Zealand Superannuation for recipients entitled in their own right
- Veteran's 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 Zealand¹³. This is referred to as the 'capped' rate and may mean that 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 assist 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.¹⁴

At the end of June 2010 there were 7,248 people receiving Australian benefits and pensions in New Zealand. There were 22,248 people entitled to New Zealand benefits and pensions in Australia at that time.¹⁵ Of these:

- 17,895 were entitled to New Zealand Superannuation
- 43 were entitled to a Veteran's Pension
- 4,310 were entitled to an Invalid's Benefit.

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 2015.¹⁶

The reimbursement for the financial year ending 30 June 2010 was NZ\$47.7 million (AUD\$41.4 million).

13. 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.

14. 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.

15. This includes people entitled to receive assistance from New Zealand, but who receive a nil payment because of means testing of assistance they received from the Australian Government.

16. The final payment under this agreement will be a bulk payment for the aggregate reimbursable amount for the following five years.

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 2010, there were 44,681 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 when moving 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. The payments covered are:

- New Zealand Superannuation for people who qualify in their own right
- Veteran's 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 whilst residing in New Zealand.

At the end of June 2010 there were 3,539 people receiving Netherlands pensions in New Zealand. At the same date there were 1,135 people receiving New Zealand benefits and pensions in the Netherlands. Of these people:

- 1,130 were receiving New Zealand Superannuation
- one was receiving an Invalid's Benefit
- four were receiving a Widow's Benefit.

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
- Veteran's 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 whilst 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 2010, there were 207 people receiving Irish pensions or benefits in New Zealand. At the same date there were 110 people receiving New Zealand benefits or pensions in Ireland. Of these:

- 109 were receiving New Zealand Superannuation
- one 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
- Veteran's Pension for people aged 65 years or over
- Invalid's Benefit
- Widow's Benefit
- Domestic Purposes Benefits for widowers.

Orphan's Benefit and funeral grants may also be payable at the full New Zealand rates.

Periods of residence in New Zealand will also assist 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 whilst 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 2010 there were 14 people in New Zealand receiving social security payments from Greece. At the same date there were 304 people receiving New Zealand benefits or pensions in Greece. Of these:

- 302 were receiving New Zealand Superannuation
- one was receiving an Invalid's Benefit
- one 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
- Veteran's 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 assist 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 residence 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 whilst residing in New Zealand.

At the end of June 2010 there were 1,152 people receiving Canadian pensions or benefits in New Zealand. At the same date there were 575 people receiving New Zealand benefits or pensions in Canada. Of these:

- 565 were receiving New Zealand Superannuation
- nine were receiving an Invalid's Benefit
- one was 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
- Veteran's 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 assist 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 residence 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 pension¹⁷ or benefit clients receive whilst residing in New Zealand.

At the end of June 2010 there were:

- 95 people receiving Danish pensions or benefits in New Zealand
- 56 people receiving New Zealand Superannuation in Denmark.

Jersey and Guernsey

Periods of residence in New Zealand can assist people in qualifying 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. Payments covered are:

- New Zealand Superannuation for people who qualify in their own right
- Veteran's Pension
- Invalid's Benefit
- Widow's Benefit
- Domestic Purposes Benefits for widowers
- Sickness Benefits¹⁸.

Periods of residence in New Zealand also assist 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 assist people in qualifying 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 whilst 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 2010, there were:

- 89 people receiving Jersey pensions in New Zealand and 85 receiving Guernsey pensions
- 39 people receiving New Zealand Superannuation in Jersey and 22 in Guernsey.

Special portability arrangement for Pacific countries

Periods of New Zealand residence can be used to help people to qualify for New Zealand Superannuation or a Veteran's 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.

17. This includes pensions paid by the Arbejdsmarkedets Tillægspension (ATP).

18. 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.

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 their 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 Veteran's Pension
- 11–20 years since the age of 20 years receive an additional 5% of New Zealand Superannuation or a Veteran's 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 2010, 583 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's immigration 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 Veteran's 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.

Prior to 5 January 2010, people living outside New Zealand could receive 50% of their New Zealand Superannuation or Veteran's Pension under this provision.

From 5 January 2010, clients could receive up to 100% of their New Zealand Superannuation or Veteran's Pension under this provision. The rate of payment depended on the proportion of the person's working life (between 20 and 65 years) that had been spent in New Zealand.

The principal destinations are the United States, China, Thailand, India, the Philippines, Croatia, Italy, Chile and Israel.

At the end of June 2010, 331 people in 55 countries, and 42 people travelling in one or more countries, were receiving a pension payment under the general portability provision.

Trends in total payments to New Zealanders living overseas

At the end of June 2010, 25,447 New Zealanders living overseas were entitled to payments of a New Zealand benefit or pension overseas¹⁹. Of these people:

- 21,070 were entitled to New Zealand Superannuation
- 4,323 were entitled to an Invalid's Benefit
- 47 were entitled to a Veteran's Pension
- 7 were receiving a Widow's Benefit.

The number of people receiving payments of a New Zealand Superannuation, a pension or a main benefit while living overseas increased by 15,246 (149%) between 2006 and 2010. This increase was mostly attributable to the number of clients who had moved from New Zealand to Australia (accounting for 96%, or 14,562, of this increase).

19. This figure includes 550 clients living in Australia who qualified for payment at a nil rate of payment, and 25 other clients in different countries whose payments had been temporarily stopped as at 30 June 2010.

Foreign pensions paid into New Zealand

Some people receive a reduced rate of New Zealand Superannuation, Veteran's Pension or main benefit because they are also receiving overseas pensions while living in New Zealand.

Trends in the number of MSD clients receiving an overseas pension

The number of MSD clients receiving an overseas pension increased between 2006 and 2010

The number of MSD clients who were also receiving overseas pensions increased by 15% (7,845 people) between 2006 and 2010 (see table OP.1). Clients receiving Australian and UK pensions accounted for 69% of this increase.

table OP.1: Number of MSD clients receiving an overseas pension, by country from which the pension was received^{1,2,3}

	MSD clients receiving an overseas pension				
	2006 Number	2007 Number	2008 Number	2009 Number	2010 Number
Albania	0	0	1	2	3
Argentina	1	2	3	2	2
Australia	3,960	3,928	4,918	6,051	7,248
Austria	6	11	18	21	23
Barbados	3	3	3	3	1
Belgium	8	8	9	12	14
Bulgaria	10	13	22	22	24
Canada	554	647	786	952	1,152
Chile	0	3	5	4	4
China, People's Republic of	131	337	422	461	494
Cook Islands	2	2	2	3	4
Croatia	4	6	6	6	10
Czechoslovakia, former state of	4	5	9	11	12

	MSD clients receiving an overseas pension				
	2006 Number	2007 Number	2008 Number	2009 Number	2010 Number
Denmark	80	80	82	83	95
Egypt	0	1	2	3	4
Fiji	40	90	108	108	115
Finland	1	3	5	5	6
France	14	16	16	20	28
French Polynesia	2	1	1	2	2
Germany	153	171	193	217	245
Greece	12	15	16	16	14
Guernsey	69	78	79	80	85
Hong Kong	1	6	6	6	7
Hungary	3	5	5	5	6
India	26	43	48	58	71
Iraq	0	0	0	0	1
Ireland	168	159	170	179	207
Isle of Man	37	37	39	38	38
Israel	1	1	1	1	1
Italy	4	6	12	16	15
Jamaica	0	0	1	1	1
Japan	14	18	21	23	24
Jersey	80	78	79	83	89
Korea, Republic of	2	5	5	6	8
Latvia	0	0	0	0	1
Macedonia	0	0	4	4	8
Malaysia	13	20	23	23	22
Marshall Islands	0	1	1	1	1
Netherlands	3,027	3,146	3,324	3,444	3,539
New Caledonia	1	1	1	2	3
Norway	6	4	8	7	7

table continues next page...

	MSD clients receiving an overseas pension				
	2006 Number	2007 Number	2008 Number	2009 Number	2010 Number
Peru	1	1	1	1	2
Philippines	45	53	61	73	82
Poland	4	6	5	5	6
Portugal	1	2	4	4	4
Romania	0	3	8	11	14
Samoa, American	3	3	3	2	2
Samoa, Western	4	7	8	8	11
Serbia	0	0	0	0	1
Singapore	1	1	4	4	4
South Africa, Republic of	14	62	64	75	79
Spain	0	0	1	1	0
Sri Lanka	22	34	35	38	39
Sweden	7	9	20	21	31
Switzerland	138	150	169	181	191
Tahiti	0	1	1	1	1
Thailand	0	0	0	0	2
Tonga	0	0	0	1	2
Union of Soviet Socialist Republics, former	29	31	39	49	59
United Kingdom	42,521	40,417	41,359	42,671	44,681
United States of America	223	274	352	397	447
Yugoslavia, former state of	12	15	16	13	16
Zimbabwe	2	0	0	1	1
Total	51,464	50,019	52,604	55,538	59,309

Notes

- 1 Statistics above include only those MSD clients who were also receiving an overseas pension and should not be read as including all New Zealand residents receiving an overseas pension.
- 2 Not all overseas pensions are deductible under section 70 of the Social Security Act 1964. Some are treated as income. All overseas pension records, whether deductible or not, are included in the overall totals shown.
- 3 A client may have a pension from more than one country and therefore may be represented in the statistical data more than once.

Integrity Services

Benefit fraud and abuse investigations

The Fraud Investigation²⁰ 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 that clients receive their correct entitlements to benefits. There is a multifaceted approach that responds to suspected fraud and utilises 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.

Trends in 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 that 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 Unit²¹. If the risk is high, it is forwarded to the Fraud Investigation Unit for full investigation and for prosecution when appropriate.

20. Previously 'Benefit Control'.

21. Formerly 'Benefit Control'.

The number of cases decreased between 2004/2005 and 2009/2010, but overpayments are on the increase

Although the volume of cases reviewed reduced between 2004/2005 and 2009/2010 (see table IS.1), the dollar value of overpayments in 2009/2010 was close to the levels reached in 2004/2005 and 2006/2007. Benefit fraud debts as a percentage of the total level of MSD Crown expenditure on income support equates to around 1/10th of one percent.

The phased implementation of the Fraud Risk Workflow model from August 2009 onwards 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.

In 2009/2010, marriage-type relationship cases²² accounted for 39% of overpayment cases but 57% of overpayment dollars

In contrast, working cases²³ accounted for 32% of overpayment cases but only 14% of overpayment dollars. Working cases are easier to confirm, as evidence of a fraud is able to be validated by employer and bank account records, while relationship cases need far more intensive investigations to gather the evidence required.

The number and nature of benefit fraud cases do reflect, 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.

table IS.1: Trends in fraud and abuse investigation statistics¹

Financial year ²	Number of investigations and reviews completed	Number of overpayments established	Value of overpayments (\$)
2004/2005	55,632	8,203	41,455,851
2005/2006	45,992	7,299	35,757,865
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

Notes

1 Figures include all activities undertaken by the Fraud Investigations Unit and include benefit, Student Allowance and Student Loan cases.

2 Financial years ended 30 June.

22. These cases arise when evidence suggests that a client is living in a relationship in the nature of marriage but is receiving assistance at a level appropriate for a single person.

23. These cases arise when evidence suggests that a client is working but is receiving assistance at a level that is not appropriate for a working person.

Trends in fraud prosecutions

Numbers of prosecutions increased slightly between 2008/2009 and 2009/2010

This increase (see table IS.2) followed a decrease between 2007/2008 and 2008/2009.

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 that comparisons cannot readily be made between fraud prosecutions completed in a year and the fraud debt established in the same year.

table IS.2: Trends in fraud prosecution statistics

Financial year ¹	Number of prosecution cases of benefit fraud completed
2007/2008	1,028
2008/2009	735
2009/2010	789

Note

¹ Financial years ended 30 June.

Debt established as a result of benefit fraud prosecutions for 2009/10 was \$15.9m.

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 2009/2010. Several new data matches have commenced and some existing data matches have been extended and/or refined.

Trends in data-matching cases investigated and overpayments identified

The number of data-match cases completed has fluctuated in the past five years (see table IS.3). The fluctuations reflect:

- a peak in 2005/2006 resulting from a focus on processing a large number of lower-value overpayments
- a decrease in 2006/2007 resulting from staff being diverted to processing the identity match with the Department of Internal Affairs, which was implemented during 2007
- an increase in 2007/2008 reflecting catch-up work that 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
- a 2009/2010 increase owing to the introduction of more efficient processes.

The value of overpayments identified has shown corresponding fluctuations in this period.

table IS.3: Trends in data-matching statistics

Financial year ¹	Number of cases completed	Overpayments identified – amount (\$)
2004/2005	43,139	30,265,125
2005/2006	62,639	29,404,188
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

Note

¹ Financial years ended 30 June.

Balances owed to the Crown by clients of MSD

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 assist with costs such as school uniforms, fridges and washing machines
- **overpayments** – these occur where a client receives financial assistance to which they are not entitled
- **fraud** – this is established where 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, with a focus on preventing overpayments happening 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 monetary assistance in the form of a recoverable assistance loan.

How are balances owed repaid to the Ministry?

The Ministry has a high proportion of clients with outstanding balances repaying their balances owed:

- 94% of current clients with balances owed are repaying on average \$14.58 per week
- 84% of former clients with balances owed have, within four months of cancelling their benefit, either repaid their balances in full or have begun doing so. Former clients repay on average \$24.47 per week

The Ministry's quick identification of debts means it has a young debt portfolio, with more than 50% of the debt being less than a year old.

Most people owe small debts because of overpayments that the Ministry has quickly detected (and sought recovery arrangements for), or because they have been entitled to recoverable assistance loans. Sixty percent of the debtors owe less than \$1,000.00.

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, recovery of money owed from assets that have been confiscated by the Police as the proceeds of crime.

Note – a change in the measurement of results for balances owed from before 1 July 2007

The Ministry has implemented a system that provides a breakdown by recoverable assistance loans, overpayments and fraud for balances established since 1 July 2007.

The breakdown of results for balances established before 1 July 2007 has been calculated using the proportions observed in balances established since 1 July 2007. This methodology requires an adjustment calculation to ensure transactions total to the closing balance.

These adjustments are included in the tables shown in this section.

Trends in recoverable assistance loans

Recoverable assistance loan expenditure has increased in the past two years

In 2009/2010 recoverable assistance loan expenditure paid to clients ('Establishment') was \$176.8 million (see table IS.4). This was an increase of 12% (\$19.3 million) compared with the previous year. Over the same period, the amount recovered from clients ('Recovery') was \$145.7 million, an increase of 10% (\$13.4 million).

The increase in recoverable assistance loans was attributable to the impacts of the recession through:

- an increase in the number of clients receiving a benefit
- increased demand for recoverable assistance loans from working people who had encountered financial difficulties.

Recoverable assistance loans as a percentage of the total level of MSD Crown expenditure on income support equates to around 1.1%.

table IS.4: Recoverable assistance loans established and recovered

Financial year ¹	Recoverable assistance loans established and recovered (\$m)					
	Opening	Establishment	Recovery	Write-off	Adjustment	Closing
2005/2006	318.7	113.5	-101.9	-0.3	2.4	332.3
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

Note

1 Financial years ended 30 June.

Trends in 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 2007/2008 and 2009/2010

The value of all overpayments established in 2009/2010 was \$207.5 million (see table IS.5). This was an increase of 20% (\$34.8 million) compared with the previous year and included increases in overpayments that:

- arose from fraud
- were detected through data matching.

The value of overpayments recovered in the 2009/2010 year was \$145.6 million. This is an increase of 20% (\$24.6 million) compared with the previous year.

Overpayments as a percentage of the total level of MSD Crown expenditure on income support equates to around 1.3%.

The trend in overpayments reflected a combination of increasing client numbers and changes implemented to improve the detection of overpayments.

table IS.5: Overpayments established and recovered

Financial year ¹	Overpayments established and recovered (\$m)					
	Opening	Establishment	Recovery	Write-off	Adjustment	Closing
2005/2006	396.3	175.5	-142.5	-11.0	-1.0	417.3
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

Note

1 Financial years ended 30 June.

Trends in other balances owed

Other balances owed included Liabe Parent Contribution, Maintenance and Major Repairs Advances balances. These programmes were no longer current and MSD was responsible for recovering residual balances owing.

Balances owed at the end of each year continued to decrease

This pattern (see table IS.6) reflected the impacts of ongoing work to recover the remaining balances owed.

table IS.6: Other balances owed and recovered

Financial year ¹	Other balances owed and recovered (\$m)					
	Opening	Establishment	Recovery	Write-off	Adjustment	Closing
2005/2006	53.4	0.0	-4.2	-1.3	-0.7	47.2
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

Note

1 Financial years ended 30 June.

Trends in clients with balances owed

The number of clients with balances owed increased from 2007/2008

This increase (see table IS.7) reflected the impacts of the economic recession, including:

- growth in the number of clients receiving a benefit
- an increased number of clients receiving recoverable hardship assistance.

The number of clients owing Liabe Parent Contribution or Maintenance balances continued to decline each year, as these programmes were no longer current.

table IS.7: Number of clients with balances owed, by category

Financial year ¹	Number of clients with balances owed (000s)						
	Current clients ²	Former clients ³	Student ⁴	Liabe Parent Contribution ⁵	Maintenance ⁶	Other ⁷	Total ^{8,9}
2005/2006	190	127	11	6	2	0.2	336
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

Notes

- 1 Financial years ended 30 June.
- 2 Clients currently receiving financial assistance from Work and Income or Seniors who had balances owed.
- 3 Clients no longer receiving financial assistance from Work and Income or Seniors who had balances owed. This figure may differ from that published in previous years, as clients who have balances owed on the current client system as well as the former client system are now only counted under 'current clients'. Previously these people were counted as both 'current clients' and 'former clients'.
- 4 Clients with balances owed as a result of 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 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 ceased in 1996 and became repayable once the home was sold or after the recipient died. Employment Training and Assistance is paid to assist 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 This figure may differ from that published in previous years, as clients who have balances owed on the current client system as well as the former client system are now only counted under 'current clients'. Previously, these people were counted as both 'current clients' and 'former clients'.
- 9 The total number of clients with balances owed may be overstated because of double-counting where a person had a balance owed in more than one category.

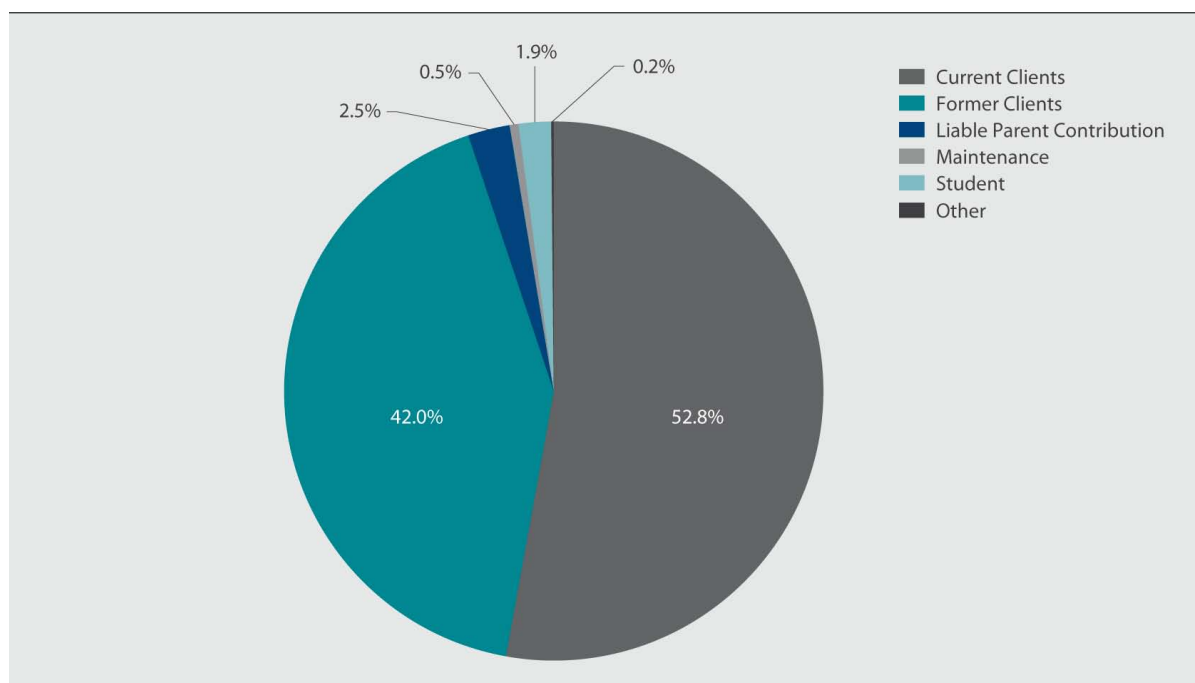
Composition of balances owed

Around half of the balances owed were owed by current clients

Almost all balances were owed by current or former clients (see figure IS.1). Around half (53%) of these balances were owed by current clients and 42% by former clients.

Of the balances owed by current and former clients, 45% were due to recoverable assistance and 55% were due to overpayments (including fraud).

figure IS.1: Composition of balances owed to the Crown at 30 June 2010



Appendices

Data on use of Work and Income assistance used in calculating proportions of people receiving assistance

table PP.1: Number of clients aged 18 years or over and receiving Work and Income assistance (used in figure OT.1)

Population group and assistance received at the end of June	Clients receiving Work and Income assistance				
	2006 Number	2007 Number	2008 Number	2009 Number	2010 Number
Working-age clients receiving a main benefit ¹	280,299	261,009	258,317	310,296	332,924
Clients aged 65 years or over receiving New Zealand Superannuation or a pension ²	482,637	498,318	511,372	527,974	547,068
People aged 18 years or over receiving one or more supplementary benefits, Temporary Additional Support or a Special Benefit ³	461,487	460,572	464,054	517,758	545,933

Notes

- 1 Number of working-age clients recorded in SWIFTT as receiving a main benefit at the end of June.
- 2 Number of clients aged 65 years or over recorded in SWIFTT as receiving New Zealand Superannuation or a pension at the end of June. Excludes clients receiving a War Disablement Pension.
- 3 Number of clients aged 18 years or over recorded in SWIFTT as receiving one or more supplementary benefits (including an Unsupported Child's Benefit or an Orphan's Benefit), Temporary Additional Support or a Special Benefit. Includes some clients receiving one or more supplementary benefits and Temporary Additional Support or a Special Benefit.

table PP.2: Ages of children aged under 18 years and dependent on clients receiving a main benefit (used in figure DB.1)

Age of child at the end of June	Children under 18 years and dependent on clients receiving a main benefit ¹				
	2006 Number	2007 Number	2008 Number	2009 Number	2010 Number
0–4 years	67,173	63,775	64,661	73,490	78,955
5–9 years	65,665	59,872	57,651	62,590	65,139
10–13 years	48,154	43,906	42,452	45,624	47,691
14–17 years	39,759	37,116	35,414	39,065	41,462
Total children aged under 18 years	220,751	204,669	200,178	220,769	233,247

Note

- 1 Number of children aged under 18 years and recorded in SWIFTT as dependent on clients receiving a main benefit at the end of June.

table PP.3: Ages of working-age clients receiving an Unemployment Benefit (used in figure UB.1)

Age of client at the end of June	Working-age clients receiving an Unemployment Benefit ^{1,2}				
	2006 Number	2007 Number	2008 Number	2009 Number	2010 Number
18–24 years	8,934	4,164	3,639	16,705	19,024
25–39 years	12,908	7,597	5,957	16,690	20,377
40–49 years	6,389	4,025	3,341	8,793	11,316
50–59 years	5,125	3,102	2,428	5,969	8,214
60–64 years	6,396	4,271	2,345	2,698	3,154
Total working-age clients	39,752	23,159	17,710	50,855	62,085

Notes

1 Unemployment Benefits comprise Unemployment Benefits and Unemployment Benefits – Hardship.

2 Number of working-age clients recorded in SWIFTT as receiving an Unemployment Benefit at the end of June.

table PP.4: Ages of working-age clients receiving an other unemployment-associated benefit (used in figure OU.1)

Age of client at the end of June	Working-age clients receiving an other unemployment-associated benefit ^{1,2}				
	2006 Number	2007 Number	2008 Number	2009 Number	2010 Number
18–24 years	3,203	3,336	3,377	4,463	4,239
25–39 years	1,370	1,552	1,590	1,565	1,315
40–49 years	702	824	867	875	723
50–59 years	426	545	612	584	475
60–64 years	45	72	129	119	93
Total working-age clients	5,746	6,329	6,575	7,606	6,845

Notes

1 Other unemployment associated benefits comprise Unemployment Benefits – Training, Unemployment Benefits – Hardship – Training, Unemployment Benefits – Student – Hardship and Independent Youth Benefits.

2 Number of working-age clients recorded in SWIFTT as receiving an other unemployment-associated benefit at the end of June.

table PP.5: Number of clients aged 16–17 years and receiving an Independent Youth Benefit (used in figure OU.2)

	Clients aged 16–17 years and receiving an Independent Youth Benefit ¹				
	2006 Number	2007 Number	2008 Number	2009 Number	2010 Number
Total aged 16–17 years	1,611	1,203	1,190	1,698	1,640

Notes

1 Number of clients aged 16–17 years recorded in SWIFTT as receiving an Independent Youth Benefit at the end of June.

table PP.6: Ages of working-age clients receiving a Domestic Purposes Benefit – Sole Parent or an Emergency Maintenance Allowance (used in figure DP.1)

Age of client at the end of June	Working-age clients receiving a Domestic Purposes Benefit – Sole Parent or an Emergency Maintenance Allowance ¹				
	2006 Number	2007 Number	2008 Number	2009 Number	2010 Number
18–24 years	17,479	17,274	17,906	19,861	21,543
25–39 years	51,609	47,348	45,765	48,200	50,419
40–49 years	21,500	20,433	20,252	22,056	23,727
50–59 years	3,835	3,894	4,145	4,765	5,453
60–64 years	190	195	284	353	410
Total working-age clients	94,613	89,144	88,352	95,235	101,552

Note

- 1 Number of working-age clients recorded in SWIFTT as receiving a Domestic Purposes Benefit – Sole Parent or Emergency Maintenance Allowance at the end of June.

table PP.7: Ages of working-age clients receiving a Sickness Benefit (used in figure SB.1)

Age of client at the end of June	Working-age clients receiving a Sickness Benefit ^{1,2}				
	2006 Number	2007 Number	2008 Number	2009 Number	2010 Number
18–24 years	6,530	6,763	7,278	8,995	9,290
25–39 years	13,669	13,835	13,393	15,545	16,288
40–49 years	11,140	11,254	10,887	12,561	13,627
50–59 years	11,489	11,406	10,191	11,950	13,392
60–64 years	4,244	4,805	4,522	5,301	5,868
Total working-age clients	47,072	48,063	46,271	54,352	58,465

Notes

- 1 Sickness Benefits comprise Sickness Benefits and Sickness Benefits – Hardship.
- 2 Number of working-age clients recorded in SWIFTT as receiving a Sickness Benefit at the end of June.

table PP.8: Ages of working-age clients receiving an Invalid's Benefit (used in figure IB.1)

Age of client at the end of June	Working-age clients receiving an Invalid's Benefit ¹				
	2006 Number	2007 Number	2008 Number	2009 Number	2010 Number
18–24 years	5,456	5,592	5,948	6,284	6,432
25–39 years	16,546	16,485	16,943	16,729	16,362
40–49 years	18,351	18,711	19,879	20,010	19,979
50–59 years	22,108	22,852	24,406	25,104	25,633
60–64 years	12,888	13,661	15,703	16,417	16,976
Total working-age clients	75,349	77,301	82,879	84,544	85,382

Note

1 Number of working-age clients recorded in SWIFTT as receiving an Invalid's Benefit at the end of June.

table PP.9: Ages of working-age clients receiving a Widow's Benefit (used in figure WB.1)

Age of client at the end of June	Working-age clients receiving a Widow's Benefit ¹				
	2006 Number	2007 Number	2008 Number	2009 Number	2010 Number
18–24 years	13	11	6	8	9
25–39 years	298	257	237	225	230
40–49 years	838	762	702	727	709
50–59 years	2,530	2,237	2,020	2,094	2,119
60–64 years	3,322	3,020	2,838	2,766	2,834
Total working-age clients	7,001	6,287	5,803	5,820	5,901

Note

1 Number of working-age clients recorded in SWIFTT as receiving a Widow's Benefit at the end of June.

table PP.10: Ages of working-age clients receiving an Emergency Benefit (used in figure EB.1)

Age of client at the end of June	Working-age clients receiving an Emergency Benefit ¹				
	2006 Number	2007 Number	2008 Number	2009 Number	2010 Number
18–24 years	433	390	368	476	508
25–39 years	1,017	866	783	900	860
40–49 years	822	659	442	474	466
50–59 years	833	853	540	450	389
60–64 years	633	635	506	419	334
Total working-age clients	3,738	3,403	2,639	2,719	2,557

Note

1 Number of working-age clients recorded in SWIFTT as receiving an Emergency Benefit at the end of June.

table PP.11: Ages of clients aged 18 years or over receiving an Accommodation Supplement (used in figure AS.1)

Age of client at the end of June	Clients aged 18 years or over receiving an Accommodation Supplement ¹				
	2006 Number	2007 Number	2008 Number	2009 Number	2010 Number
18–24 years	36,741	34,220	35,222	51,036	56,438
25–39 years	93,960	90,245	88,805	103,256	109,608
40–49 years	49,860	49,459	49,943	58,127	62,861
50–59 years	29,251	29,008	29,528	35,022	39,125
60–64 years	12,442	12,479	12,758	14,386	15,737
65 years or over	24,682	25,901	27,055	28,887	30,772
Total aged 18 years or over	246,936	241,312	243,311	290,714	314,541

Note

1 Number of clients aged 18 years or over recorded in SWIFTT as receiving an Accommodation Supplement at the end of June.

table PP.12: Ages of children aged under 18 years assisted by an Unsupported Child's Benefit or an Orphan's Benefit (used in figure UO.1)

Age of child at the end of June	Children aged under 18 years assisted by an Unsupported Child's Benefit or an Orphan's Benefit ¹				
	2006 Number	2007 Number	2008 Number	2009 Number	2010 Number
0–4 years	1,299	1,364	1,467	1,562	1,639
5–9 years	2,736	2,863	2,978	3,050	3,277
10–13 years	2,862	2,929	3,002	3,070	3,180
14–17 years	3,133	3,127	3,121	3,279	3,717
Total aged under 18 years	10,030	10,283	10,568	10,961	11,813

Note

1 Number of children aged under 18 years recorded in SWIFTT as being assisted by an Unsupported Child's Benefit or Orphan's Benefit at the end of June.

table PP.13: Number of children aged under five years and assisted by a Childcare Subsidy (used in figure CC.1)

	Children aged under 5 years and assisted by a Childcare Subsidy ¹				
	2006 Number	2007 Number	2008 Number	2009 Number	2010 Number
Total children aged under 5 years	36,744	42,356	34,782	37,795	40,558

Note

1 Number of children aged under five years recorded in SWIFTT as being assisted by a Childcare Subsidy at the end of June.

table PP.14: Ages of children aged 5–13 years and assisted by an OSCAR Subsidy (used in figure CC.2)

Age of child at the end of June	Children aged 5–13 years assisted by an OSCAR Subsidy ¹				
	2006 Number	2007 Number	2008 Number	2009 Number	2010 Number
5–9 years	4,355	5,652	7,208	8,282	8,833
10–13 years	1,291	1,723	2,258	2,708	3,056
Total aged 5–13 years	5,646	7,375	9,466	10,990	11,889

Note

1 Number of children aged 5–13 years recorded in SWIFTT as being assisted by an OSCAR Subsidy at the end of June.

table PP.15: Ages of people assisted by a Disability Allowance (used in figure DA.1)

Age at the end of June	People assisted by a Disability Allowance ^{1,2}				
	2006 Number	2007 Number	2008 Number	2009 Number	2010 Number
0–14 years	9,611	8,981	8,770	9,450	9,831
15–17 years	1,881	1,896	1,939	2,155	2,213
18–24 years	5,220	5,496	5,885	7,299	7,977
25–39 years	20,685	20,780	20,659	22,553	23,643
40–49 years	22,770	23,244	23,921	25,681	27,105
50–59 years	28,079	28,293	28,325	30,342	31,846
60–64 years	19,198	19,465	20,242	21,082	21,830
65 years or over	120,276	123,059	123,854	126,870	129,818
Total clients assisted by a Disability Allowance	227,720	231,214	233,595	245,432	254,263

Notes

- 1 Statistics on Disability Allowances encompass Disability Allowances, Disability Allowances – Telephone Support and assistance delivered under the Disability Assistance Programme.
- 2 Number of people recorded in SWIFTT as being assisted by a Disability Allowance at the end of June.

table PP.16: Trends in the ages of children aged under 18 years and assisted by a Child Disability Allowance (used in figure CD.1)

Age of child at the end of June	Children aged under 18 and assisted by a Child Disability Allowance ¹				
	2006 Number	2007 Number	2008 Number	2009 Number	2010 Number
0–4 years	8,236	8,898	9,865	10,308	9,326
5–9 years	12,201	13,173	14,717	15,481	14,741
10–13 years	9,643	10,420	11,419	12,118	11,810
14–17 years	6,028	6,547	7,052	7,727	7,838
Total children aged under 18 years	36,108	39,038	43,053	45,634	43,715

Note

- 1 Number of children aged under 18 years and recorded in SWIFTT as being assisted by a Child Disability Allowance at the end of June.

table PP.17: Ages of clients aged 18 years or over and receiving Temporary Additional Support or a Special Benefit (used in figure TS.1)

Age of client at the end of June	Clients aged 18 years or over receiving Temporary Additional Support or a Special Benefit ^{1,2}				
	2006 Number	2007 Number	2008 Number	2009 Number	2010 Number
18–24 years	5,608	4,393	4,856	7,957	8,945
25–39 years	19,236	14,425	14,626	19,587	21,013
40–49 years	11,696	10,063	10,305	13,770	14,993
50–59 years	8,164	7,527	7,614	10,007	11,373
60–64 years	2,998	2,851	3,141	3,952	4,456
65 years or over	1,559	1,587	1,876	2,575	2,975
Total clients aged 18 years or over	49,261	40,846	42,418	57,848	63,755

Notes

- 1 Number of clients aged 18 years or over recorded in SWIFTT as receiving Temporary Additional Support or a Special Benefit at the end of June.
- 2 Temporary Additional Support was available from 1 April 2006. From this date, access to Special Benefits was restricted to those receiving them since before 1 April 2006.

table PP.18: Ages of clients aged 65 years or over and receiving a Residential Care Subsidy (used in figure RS.1)

Age of client at the end of June	Clients aged 65 years or over and receiving a Residential Care Subsidy ¹				
	2006 Number	2007 Number	2008 Number	2009 Number	2010 Number
65–69 years	588	612	618	629	626
70–74 years	1,426	1,345	1,350	1,400	1,401
75–79 years	2,620	2,520	2,529	2,490	2,582
80–84 years	4,135	4,139	4,129	4,187	4,155
85–89 years	4,657	4,588	4,708	4,906	5,087
90 years or over	4,839	4,782	4,776	4,656	4,999
Total clients aged 65 years or over	18,265	17,986	18,110	18,268	18,850

Note

- 1 Number of clients aged 65 years or over recorded in SWIFTT as having a Residential Care Subsidy paid towards the cost of their care at the end of June.

table PP.19: Ages of working-age clients receiving a Residential Support Subsidy (used in figure RS.2)

Age of client at the end of June	Working-age clients receiving a Residential Support Subsidy ¹				
	2006 Number	2007 Number	2008 Number	2009 Number	2010 Number
18–24 years	705	677	690	758	737
25–39 years	2,495	2,383	2,358	2,297	2,254
40–49 years	2,249	2,251	2,228	2,221	2,252
50–59 years	1,699	1,772	1,857	1,956	2,100
60–64 years	587	634	685	761	814
Total working-age clients	7,735	7,717	7,818	7,993	8,157

Note

1 Number of working-age clients recorded in SWIFTT as receiving a Residential Support Subsidy at the end of June.

table PP.20: Ages of clients aged 65 years or over and receiving New Zealand Superannuation (used in figure NZ.1)

Age of client at the end of June	Clients aged 65 years or over and receiving New Zealand Superannuation ¹				
	2005 Number	2006 Number	2007 Number	2008 Number	2009 Number
65–69 years	144,867	153,900	158,186	165,498	171,680
70–74 years	111,240	113,201	117,332	122,396	130,506
75–79 years	96,754	97,382	97,581	97,821	98,498
80–84 years	67,497	68,992	71,026	72,895	74,585
85–89 years	35,578	37,071	38,431	40,222	41,984
90 years or over	17,918	18,384	18,760	18,791	19,889
Total clients aged 65 years or over	473,854	488,930	501,316	517,623	537,142

Note

1 Number of clients aged 65 years or over and recorded in SWIFTT as receiving New Zealand Superannuation at the end of June.

table PP.21: Ages of clients aged 65 years or over and receiving a Veteran's Pension (used in figure VP.1)

Age of client at the end of June	Clients aged 65 years or over and receiving a Veteran's Pension ¹				
	2005 Number	2006 Number	2007 Number	2008 Number	2009 Number
65–69 years	562	681	770	851	872
70–74 years	828	887	930	966	978
75–79 years	1,577	1,514	1,514	1,478	1,273
80–84 years	3,175	3,140	3,029	2,734	2,331
85–89 years	2,101	2,482	2,954	3,245	3,221
90 years or over	540	684	859	1,077	1,251
Total clients aged 65 years or over	8,783	9,388	10,056	10,351	9,926

Note

1 Number of clients aged 65 years or over and recorded in SWIFTT as receiving a Veteran's Pension at the end of June.



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