



**MINISTRY OF SOCIAL
DEVELOPMENT**

TE MANATŪ WHAKAHIATO ORA



Ministry of Social Development
Benefit Fact Sheets
Snapshot - June 2020 Quarter

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

New Zealand Government

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The Benefit Fact Sheets June 2020 quarterly report covers the period when New Zealand was in lockdown. This has had an impact on the country's economy, labour market, health and well-being, and therefore the numbers on this report include the impacts of COVID-19 and MSD's response to support our clients.

Our response to the COVID-19 pandemic included a number of temporary operational changes to support people affected by the pandemic, and to ensure the health and safety of our clients and of MSD's essential workers. Some of the changes made included deferring the need to provide subsequent medical certificates, review of Disability Allowance, suspending obligation failures, and extending the 52-week reapplication period for JS and SPS clients. Details of the changes on how we work are available at the Work and Income website: <https://workandincome.govt.nz/covid-19/changes-to-how-we-work.html>. However, some of the temporary business processes (e.g. work-related obligation failures that were suspended from 23 March to 27 May 2020) have returned to their normal business rules. As a result, the data for the Benefit Sanctions reported are mostly for those issued in June 2020.

The Benefit Fact Sheets Snapshot is standard reporting that serves to support interpretation of the Ministry's Tier 1 statistics. To provide more information on the impact of the COVID-19 pandemic on New Zealand's people, society and economy, MSD also increased the frequency with which we report key benefit data and additional income support. This new COVID-19 reporting, such as data on the Wage Subsidy and Leave Payment Scheme, and the COVID-19 Income Relief Payment (CIRP), is not included in the regular quarterly reporting. COVID-19 focused reporting is available at MSD's COVID-19 response webpage: <https://www.msd.govt.nz/about-msd-and-our-work/publications-resources/statistics/covid-19/index.html>.

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Main benefit assistance

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

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

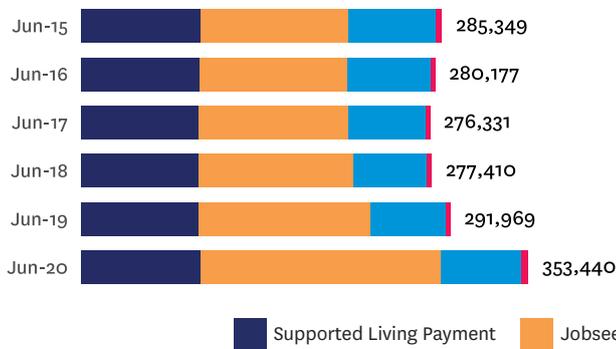
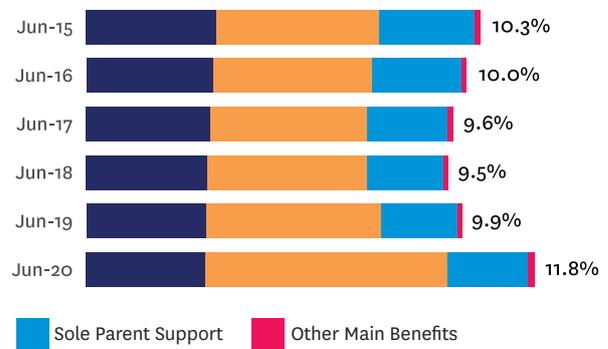


Figure 1b. Proportion of working-age population receiving main benefits, at the end of the last six June quarters



353,440 working-age people receiving a main benefit as at the end of June 2020

The number of working-age people receiving main benefits, as at the end of June 2020, was **21.1 percent higher** when compared with the June 2019 quarter. Benefit numbers as a proportion of the working-age population increased to **11.8 percent**, compared with 9.9 percent as at the end of June 2019.

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

The working-age population are those aged between 18–64 of the estimated New Zealand resident population, year-ended as at June. The proportion of the working-age population (18–64 years old) uses the estimate for the year ending June, so estimates as at the end of June 2019 have been used for the June 2020 quarter.

Jobseeker Support (JS)

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

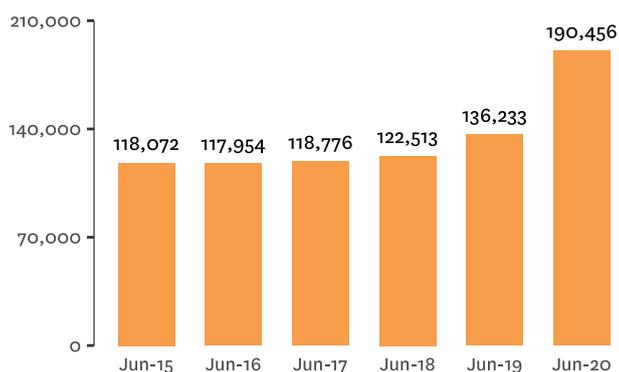
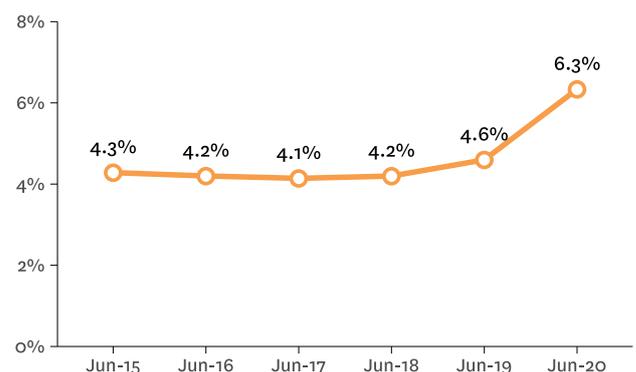


Figure 2b. Proportion of working-age population receiving Jobseeker Support, at the end of the last six June quarters



190,456 working-age people receiving JS as at the end of June 2020

As at the end of June 2020, the number of working-age people on Jobseeker Support increased by **39.8 percent**, compared with the June 2019 quarter. The proportion of working-age people receiving JS has been increasing since the June 2018 quarter.

6.3 percent of the working-age population receiving JS as at the end of June 2020

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

Sole Parent Support (SPS)

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

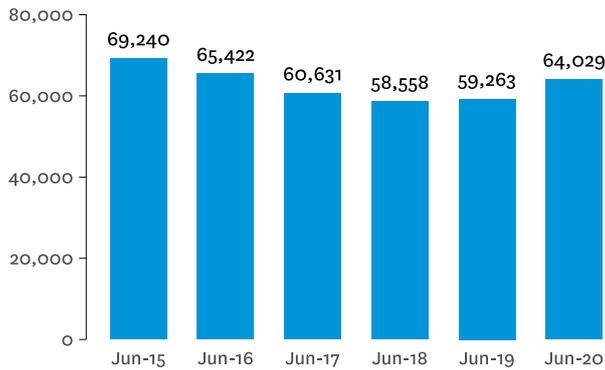
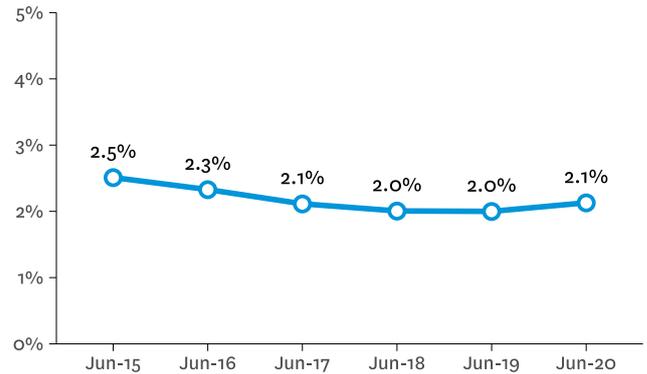


Figure 3b. Proportion of working-age population receiving Sole Parent Support, at the end of the last six June quarters



64,029 working-age people receiving SPS as at the end of June 2020

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

As at the end of June 2020, **the number of working-age people on Sole Parent Support increased by 8.0 percent**, compared with the June 2019 quarter. **The proportion of working-age people receiving SPS slightly increased to 2.1 percent** as at the end of June 2020, from 2.0 percent over the last two June quarters.

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

Supported Living Payment (SLP)

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

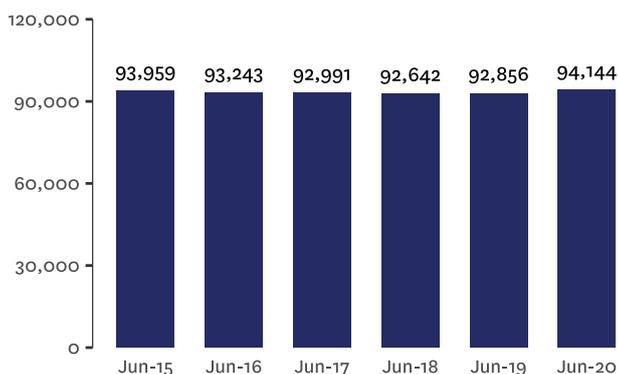
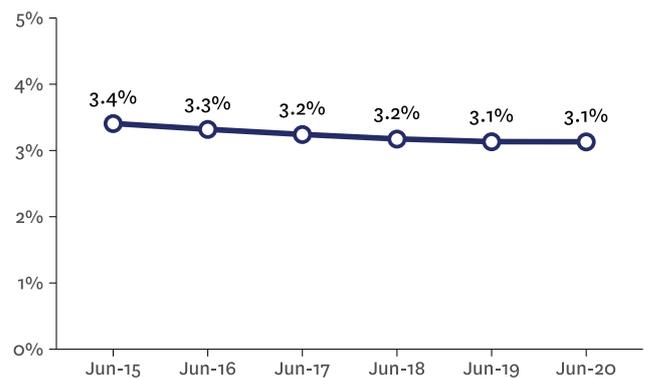


Figure 4b. Proportion of working-age population receiving Supported Living Payment, at the end of the last six June quarters



94,144 working-age people receiving SLP as at the end of June 2020

3.1 percent of the working-age population receiving SLP as at the end of June 2020

As at the end of June 2020, **the number of working-age people on Supported Living Payment slightly increased by 1.4 percent**, when compared with the June 2019 quarter. **The proportion of working-age people receiving SLP remained stable at 3.1 percent** as at the end of June 2020.

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

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

Most of the increase in proportion of the working-age population* receiving Jobseeker Support has occurred in the North Island/Te Ika-a-Māui. Northland had the highest proportion of the working-age population receiving Jobseeker Support, at 10.9 percent as at the end of June 2020.

In terms of annual change, Southern region had the lowest percentage point increase of 1.1 percentage points as at the end of June 2020, when compared with June 2019. It was followed by Central region with 1.2 percentage point increase, and Wellington region with 1.4 percentage point increase, when compared with June 2019.

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

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

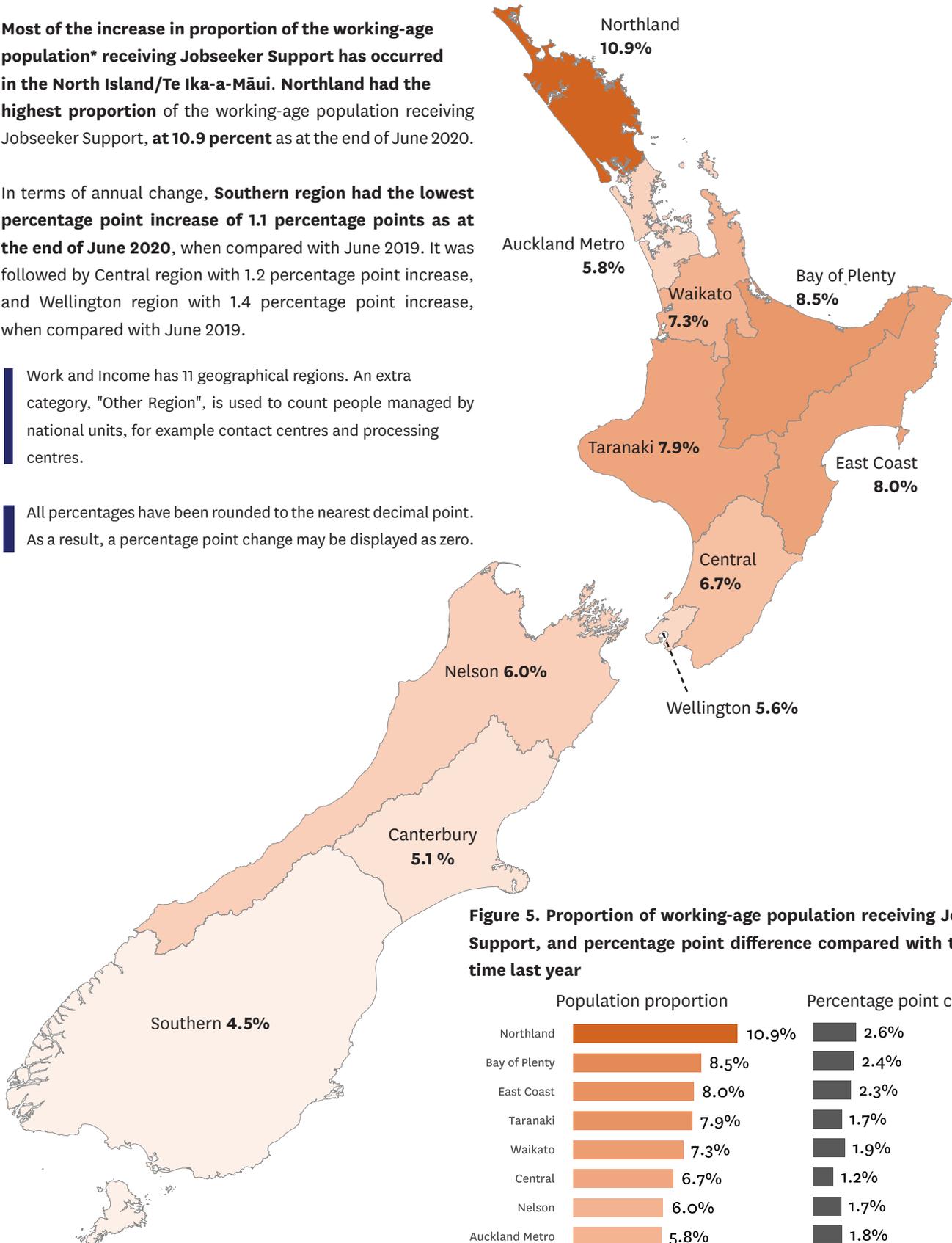
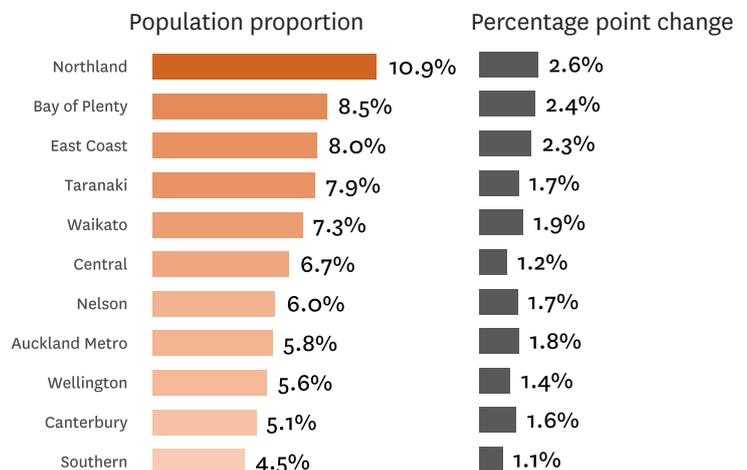


Figure 5. Proportion of working-age population receiving Jobseeker Support, and percentage point difference compared with the same time last year



* The regional estimated working-age population figures used on pages four and five of this report have been calculated using Statistics New Zealand's revised regional population estimates as at June 2019.

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

Most of the increase in proportion of the working-age population receiving Sole Parent Support has occurred in the North Island/Te Ika-a-Māui. Northland had the highest proportion of the working-age population receiving Sole Parent Support, with 3.8 percent as at the end of June 2020.

In terms of annual change, Bay of Plenty had a 0.3 percentage point increase, when compared with the June 2019 quarter, which was slightly higher compared with the other Work and Income regions.

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

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

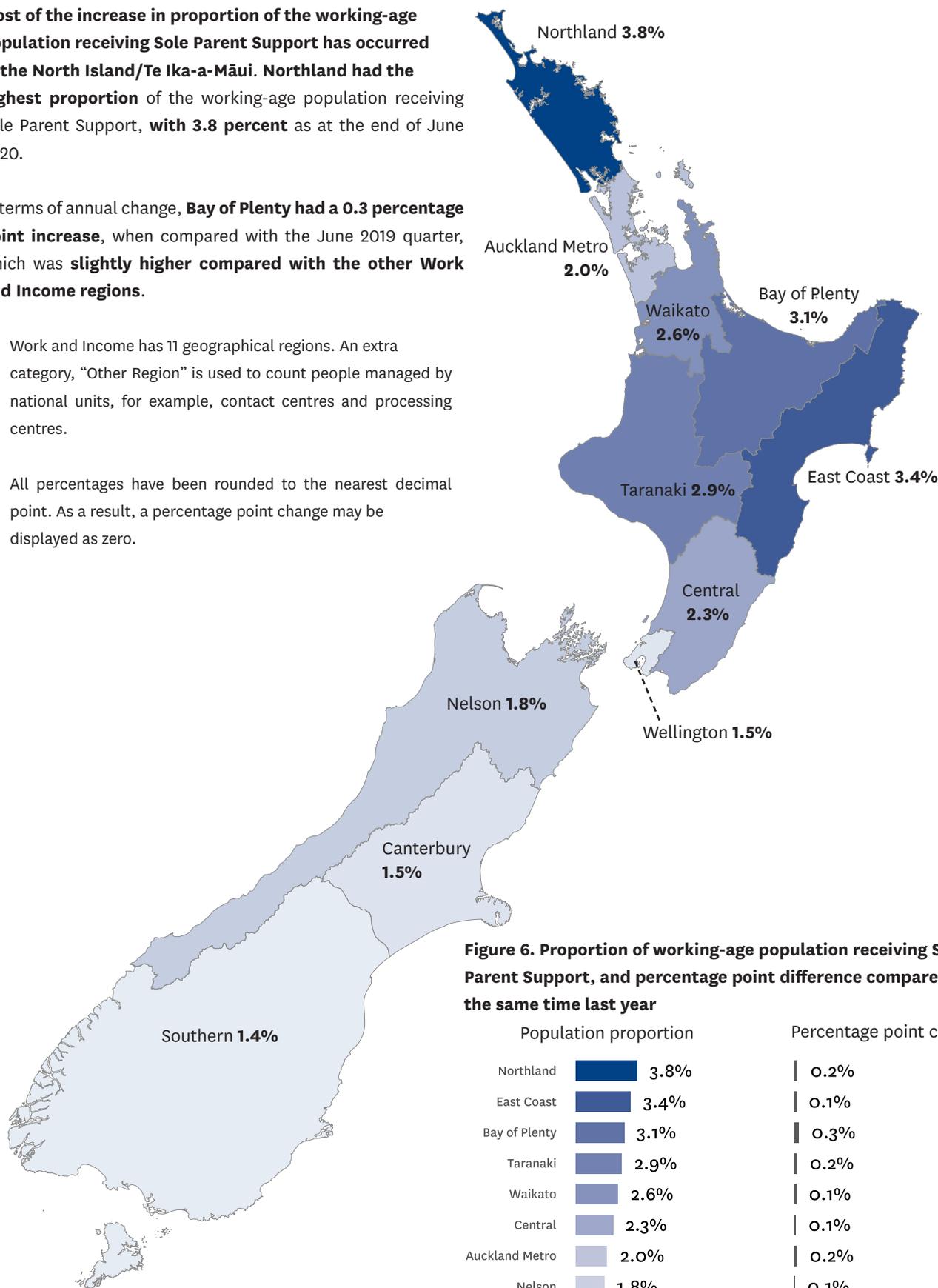


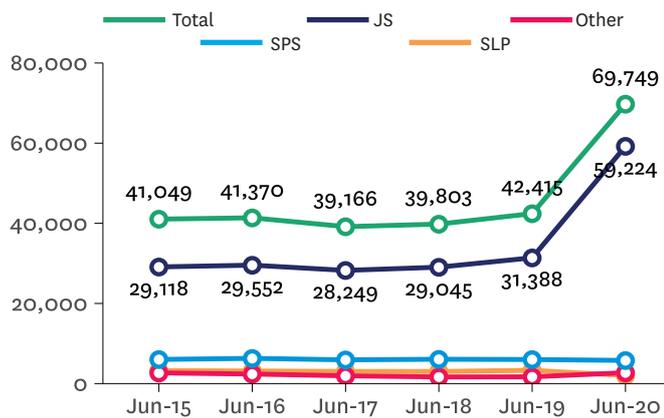
Figure 6. Proportion of working-age population receiving Sole Parent Support, and percentage point difference compared with the same time last year

Region	Population proportion	Percentage point change
Northland	3.8%	0.2%
East Coast	3.4%	0.1%
Bay of Plenty	3.1%	0.3%
Taranaki	2.9%	0.2%
Waikato	2.6%	0.1%
Central	2.3%	0.1%
Auckland Metro	2.0%	0.2%
Nelson	1.8%	0.1%
Canterbury	1.5%	0.1%
Wellington	1.5%	0.0%
Southern	1.4%	0.1%

Benefit grants and cancellations

Grants

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



The total number of benefits granted during the June 2020 quarter increased by 27,334 when compared with the June 2019 quarter, or an increase of 64.4 percent.

There were 59,224 benefits granted for Jobseeker Support during the June 2020 quarter, or an increase of 88.7 percent when compared with the June 2019 quarter. A significant proportion of the JS grants granted were for clients affected by COVID-19.

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

Cancellations

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

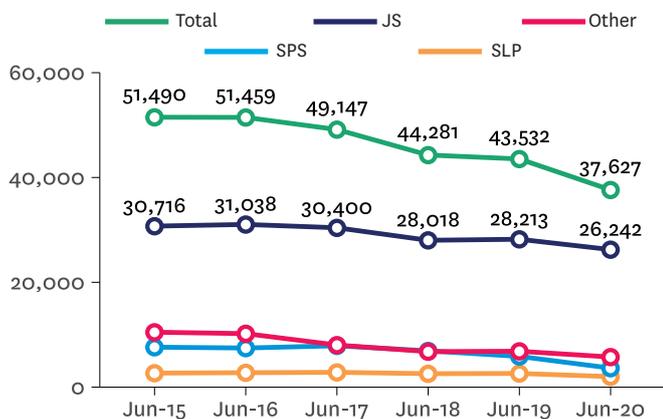
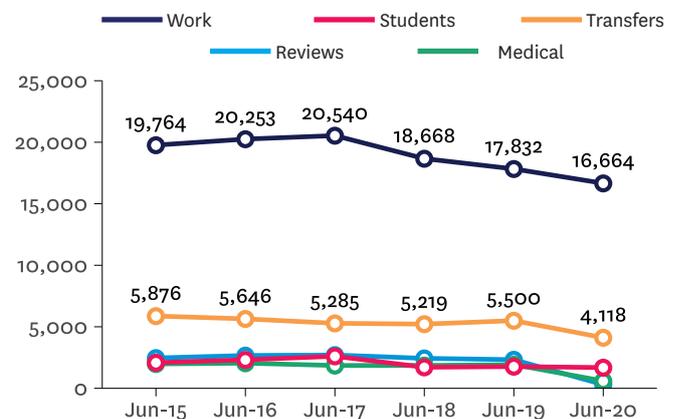


Figure 8b. Number of cancellations by selected reason during the last six June quarters



37,627 benefit cancels made during the June 2020

16,664 benefit cancels made during the June 2020 quarter due to entering paid work

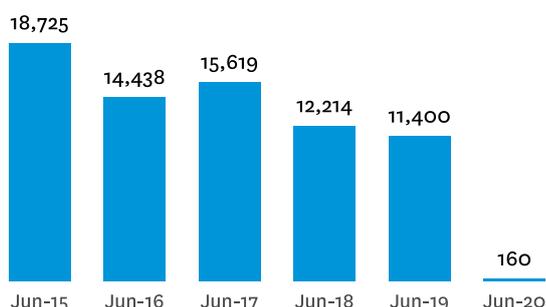
The number of benefits cancelled during the June 2020 quarter decreased by 5,905 when compared with the June 2019 quarter, or a decrease of 13.6 percent.

Obtaining work, a main reason for benefit cancellations, decreased by 6.6 percent compared with the June 2019 quarter.

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

Benefit sanctions

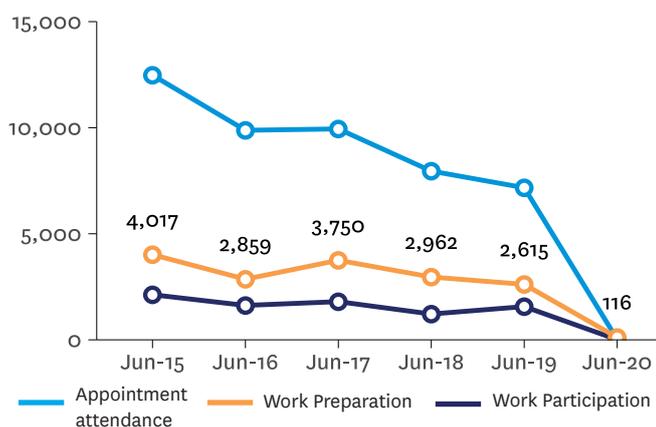
Figure 9. Number of sanctions for unfulfilled work obligations during the last six June quarters



The number of sanctions issued during the June 2020 quarter was 160. Operational processes for work-related obligation requirements were suspended from 23 March to 27 May 2020.

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

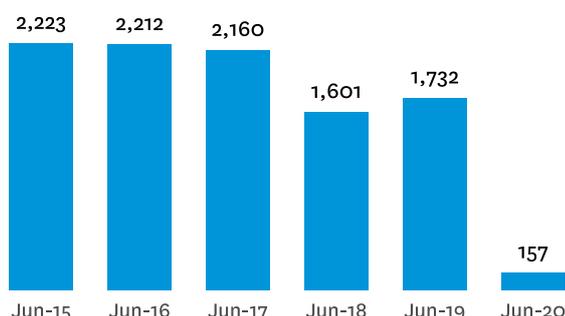
Figure 10. Number of sanctions for unfulfilled work obligations, by reason, during the last six June quarters



The main reason for sanctions was due to clients not preparing for work, with 116 recipients having unfulfilled work obligations due to this reason during the June 2020 quarter.

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

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

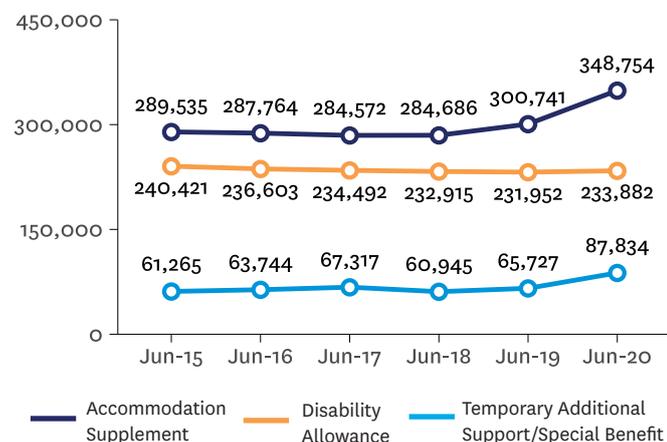


As at the end of June 2020, there were 157 sanctions that were actively in place.

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

Supplementary benefit assistance

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



The number of people receiving **Accommodation Supplement** in the June 2020 quarter **increased by 48,013** when compared with the June 2019 quarter.

The number of people receiving **Temporary Additional Support/Special Benefit** in the June 2020 quarter **increased by 22,107** when compared with the June 2019 quarter.

The number of people receiving **Disability Allowance** in the June 2020 quarter **increased by 1,930** when compared with the June 2019 quarter.

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

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

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

Hardship assistance

A total of **790,166 hardship assistance payments, worth \$216,862,777**, were granted during the June 2020 quarter. These figures are higher than the hardship assistance granted during the June 2019 quarter, when there were 487,539 hardship assistance payments worth \$142,584,226.

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

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

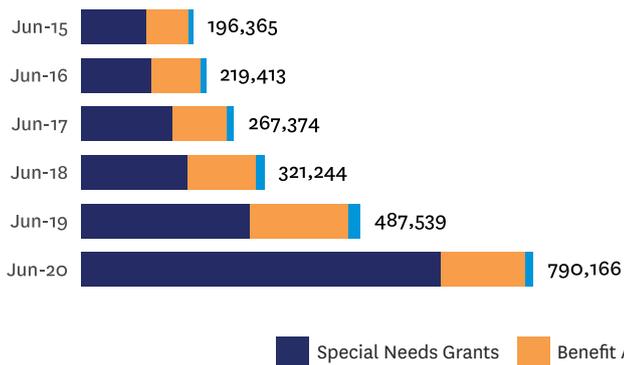
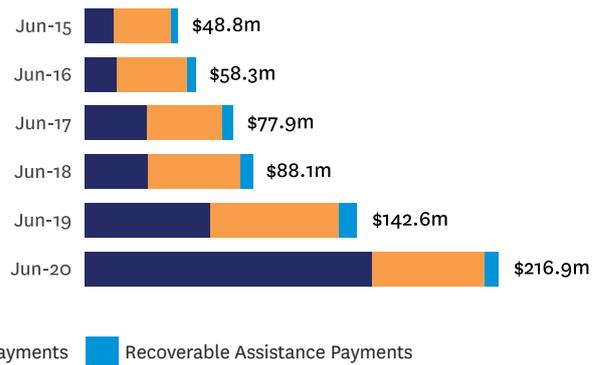


Figure 13b. Value of hardship grants during the quarter for the last six June quarters, by type of assistance



790,166 payments granted during the June 2020 quarter

\$216,862,777 value of grants provided during the June 2020 quarter

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

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

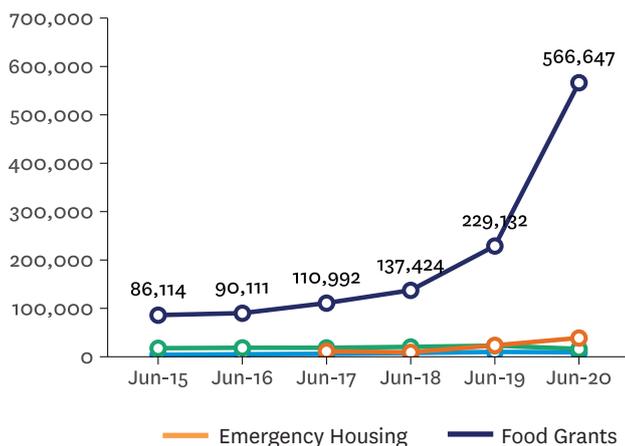
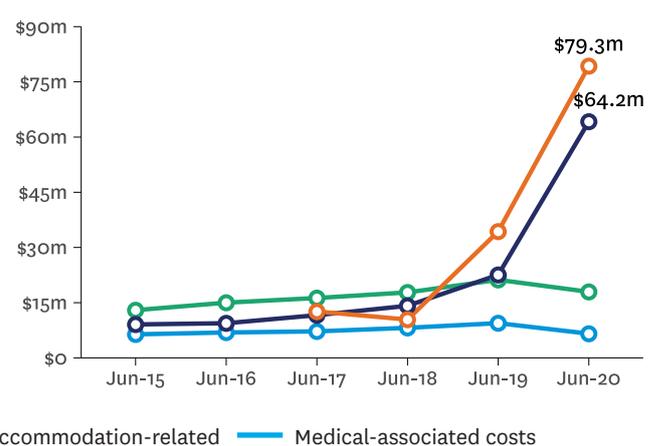


Figure 14b. Value of hardship grants during the quarter for the last six June quarters, by selected reason

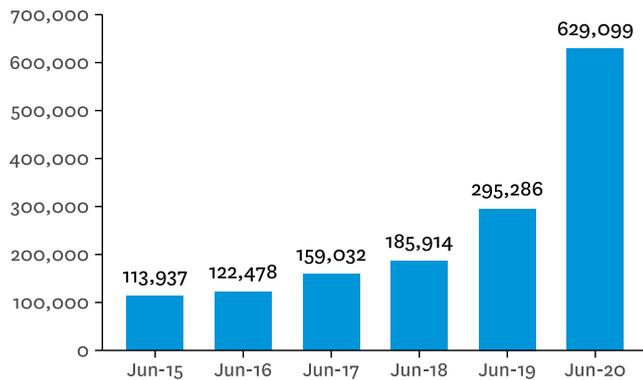


The number of Emergency Housing Special Needs Grants (EH SNGs) granted during the June 2020 quarter increased when compared with the same period last year. There were 15,309 more grants granted, totalling to 38,883 during the June 2020 quarter. **The average value granted for EH SNGs increased from \$1,457 in the June 2019 quarter to \$2,039 in the June 2020 quarter.** The total number of grants granted for EH SNGs, and the increasing average value granted, has contributed to the continued upward trend of the total value of EH SNGs during the June 2020 quarter.

The demand for Special Needs Grants (SNG) for food assistance continues to increase. Compared with the June 2019 quarter, there were 337,515 more SNGs for food granted, totalling 566,647 during the June 2020 quarter. As a result, the value of SNGs for food assistance increased to \$64,189,930 during the June 2020 quarter.

Special Needs Grants (SNGs)

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



629,099 Special Needs Grants granted during the June 2020 quarter

\$150,382,639 is the value of Special Needs Grants granted in the June 2020 quarter

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

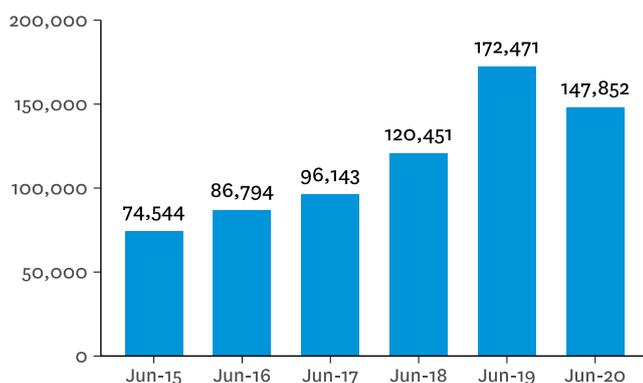


The number of Special Needs Grants granted was 333,813 higher during the June 2020 quarter when compared with the same period last year. The value of grants granted increased from \$66.1 million during the June 2019 quarter to \$150.4 million during the June 2020 quarter.

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

Benefit Advances (ADVs)

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



147,852 Benefit Advances granted during the June 2020 quarter

\$59,463,695 is the value of Benefit Advances granted during the June 2020 quarter

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



The number of Benefit Advances granted was 24,619 lower during the June 2020 quarter, compared with the June 2019 quarter. This has resulted in the value of Benefit Advances granted decreasing by \$8,032,211 to a total of \$59,463,695.

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