



MINISTRY OF SOCIAL DEVELOPMENT

Te Manatū Whakahiato Ora



THE STATISTICAL REPORT

FOR THE YEAR ENDING **JUNE 2005**



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FOR THE YEAR ENDING JUNE 2005

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Acknowledgments:

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

Published by:

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Website: www.msd.govt.nz

ISSN 1176-3388

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Section 1 Introduction

Introduction to *The Statistical Report*

This report presents a range of information about the use of financial assistance and employment services provided by the Ministry of Social Development (MSD). Within this report, information about the use of MSD assistance is also placed into a broader population context. 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.

This report is based on information held in the client databases of MSD's service lines, and is focused on the period since 1 July 2000. Some of the statistics presented in this report are also available for earlier years, on request from MSD's Decision Support team.

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

Section 2 Assistance provided by Work and Income

Introduction

This section summarises information on the use of the financial assistance and employment services offered by MSD's Work and Income service line. Sections 3 and 4 contain more detailed information about eligibility for, and use of, the assistance provided by Work and Income. Information about the use of financial assistance provided by MSD's StudyLink service line is outlined in Section 5.

Income tests, work tests and client development processes applied when providing benefits and pensions are briefly described in Appendix 1. Appendix 2 outlines the definition of official unemployment, and reasons for differences between the number of registered job seekers and the number of people officially unemployed. Appendix 3 contains additional information about the ages of people receiving or covered by Work and Income assistance.

Conventions in this report

Focus on working aged clients

Information in Section 3 concerning the use of income-tested benefits is focused on working aged clients. This report defines "working aged" clients as aged 18–64 years, to reflect the minimum age of eligibility for most income-tested benefits and the age of qualification for New Zealand Superannuation. To maintain consistency with earlier reports in this series, total numbers of recipients of income-tested benefits over all age groups are also shown. If required, more information can be obtained from MSD's Decision Support team.

Naming of financial assistance

Throughout this report, financial assistance is referred to:

- by the official name (as at the end of June 2005) of a specific type of financial assistance (eg Domestic Purposes Benefit – Sole Parents), or
- as part of broad groups of income-tested benefits that are delivered for similar purposes (defined in Section 3).

The official names for financial assistance used in this report have been current since at least 1 July 2001. Where the official name for assistance has changed over time (eg Community Wage – Job Seeker to Unemployment Benefit), this is noted within the relevant section of the report.

Information sources

The report refers to SWIFTT and SOLO as data sources. SWIFTT is the system used by Work and Income to record information about recipients of financial assistance and the assistance they receive. MSD holds a comprehensive record of information collected in SWIFTT since 1996. SOLO is the system used by Work and Income to record information about registered job seekers and about employment services being provided. It contains a comprehensive record of information collected since 1999. MSD also holds some information for earlier years concerning financial services, employment services and registered job seekers.

Statistics shown in the report

Since the last *Statistical Report* was published, MSD has continued to make improvements in measurements and changes in the source of information. For this reason, figures published in earlier reports in this series may not be replicated in this report.

Please note that this report treats Unsupported Child's Benefits and Orphan's Benefits differently from earlier reports in this series. This report treats Orphan's Benefits and Unsupported Child's Benefits as supplementary benefits, in recognition of the fact that clients receiving these benefits are not income-tested and may be in paid work. Earlier reports in this series treated these benefits as a core benefit. The effect of this change is to restrict the information in

Section 3 to income-tested benefits, thereby more accurately reflecting the numbers of benefit recipients and of dependent children shown in this section.

Trends over time in the numbers of people receiving assistance from Work and Income are shown as numbers receiving services at the end of June. This approach aims to show both broad trends over time in service use and the actual numbers of clients receiving services.

Please note, however, that this approach gives no information about numbers receiving Work and Income assistance at other times of the year. Large numbers of people may be granted assistance from Work and Income, and later cease receiving that assistance, without being reflected in numbers receiving benefits at the end of June. Assistance provided to such clients is, however, reflected in statistics showing assistance granted, assistance ceased, and expenditure on assistance. Because of this, the difference between assistance granted and assistance ceased during the financial year will not correspond to the change from June to June in numbers of people receiving assistance.

All data showing trends in the use of income-tested benefits excludes spouses, partners and dependants of people receiving these benefits. Data on the use of pensions includes non-qualified spouses receiving pensions, but excludes any other dependants of the client. This report therefore does not indicate the total number of people, or the proportion of the population, who are dependent on benefits or pensions.

It should also be noted that around 2% of work services clients are not registered job seekers, and are excluded from job seeker statistics. These clients consist of:

- vacation workers
- people already working full-time but seeking to change jobs.

This report therefore does not indicate the total number of people, or total proportion of the population, who are work services clients.

All percentages shown in tables are rounded to one decimal place. Because of rounding, percentages may not add to 100.0%.

Expenditure information in the report

Expenditure data presented in this report differs from official MSD expenditure data, does not reflect state sector financial reporting conventions, and should not be cited as official MSD expenditure data. These differences arise because of:

- smoothing of expenditure data presented in Sections 3, 4 and 7, to give figures which are comparable across time, despite changes in operations, policy or accounting practice
- the treatment of debt established. This is deducted from expenditure figures shown in Sections 2 and 7, but not from expenditure figures in Sections 3 and 4
- the use in Sections 3 and 4 of expenditure information which has been adjusted to payment periods based on a standard 30-day month
- the inclusion in expenditure data shown in Sections 3 and 7 of expenditure on selected supplementary benefits.

The presentation of expenditure information which differs from official MSD expenditure information reflects the aim of showing in this report:

- the “net gain” to clients from receiving financial assistance paid by Work and Income
- expenditure series which allow meaningful comparison between points in time, regardless of significant change in both operational policies and accounting conventions.

Official MSD expenditure data is available from the *MSD Annual Report*.

Treatment of civil unions

MSD service lines treat clients who are in a civil union in the same way as clients who are married or living as married. All references in this report to clients who are married or living as married should be read as including clients who are in a civil union.

Benefits, pensions and hardship assistance

Types of benefits

Benefits are available to people with little or no income, and are paid to enable recipients to meet their living costs and to participate in the community. Two types of benefits can be distinguished:

- income-tested benefits
- supplementary benefits.

Income-tested benefits

To be eligible to receive an income-tested benefit, clients must:

- have insufficient income from all sources to support themselves and any dependants
- meet the eligibility criteria for that benefit.

The level of income below which an income-tested benefit can be provided depends on the type of benefit applied for and the circumstances of the client. An income-tested benefit may also be work tested.

For information on eligibility for particular income-tested benefits, see Section 3 of this report. See Appendix 1 for additional information about income testing, work testing and client development approaches applied when providing some income-tested benefits.

Income-tested benefits include:

- Unemployment Benefits, Unemployment Benefits – Hardship, Unemployment Benefits – Training, Unemployment Benefits – Hardship – Training, Unemployment Benefits – Hardship – Students, Independent Youth Benefits, and Emergency Benefits
- Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances
- Sickness Benefits and Sickness Benefits – Hardship
- Invalid's Benefits
- Widow's Benefits.

Transitional Retirement Benefits were also income-tested benefits until they were abolished on 1 April 2004.

Payment rates for income-tested benefits

The standard weekly rates of income-tested benefits are increased yearly on 1 April, to reflect change in the Consumers Price Index (CPI) over the previous year. The rates for income-tested benefits current from 1 April 2005 are listed in [Table 2.1](#).

Please note that:

- some clients may receive their income-tested benefit payments fortnightly, at double the rate shown in [Table 2.1](#)
- the rates shown in [Table 2.1](#) are maximum rates unless stated otherwise (the amount a person actually receives will depend on their income from other sources)
- where a couple are married or living as married, each partner receives one-half of the income-tested benefit payment (as noted earlier, numbers of income-tested benefit recipients shown in this report include only one partner from each such couple)
- from 1 April 2005 the child component of income-tested benefits (ie the additional payment included in the benefit rate for each dependent child) was removed from income-tested benefits and included in Family Support (see [Table 2.2](#) for current rates of Family Support). This change was part of the Working for Families package.

table
2.1**Weekly payment rates for income-tested benefits (payable from 1 April 2005)**

| Income-tested benefit | Status ¹ | Weekly payment rate ^{2,3} | |
|---|-------------------------------|------------------------------------|-----------|
| | | Number of children | |
| | | None | 1 or more |
| Unemployment Benefit | Married, each | \$140.48 | \$140.48 |
| | Single 25+ | \$168.59 | |
| | Single 18–24 | \$140.48 | |
| | Single 18–19 (Living at Home) | \$112.38 | |
| | Sole parent | | \$241.47 |
| Independent Youth Benefit | | \$140.48 | |
| Sickness Benefit granted after 1 July 1998 | Married, each | \$140.48 | \$140.48 |
| | Single 25+ | \$168.59 | |
| | Single 18–24 | \$140.48 | |
| | Single 18–19 (Living at Home) | \$112.38 | |
| | Sole parent | | \$241.47 |
| Sickness Benefit granted before 1 July 1998 ⁴ | Married, each | \$140.48 | \$140.48 |
| | Single 25+ | \$168.59 | |
| | Single 18–24 | \$147.34 | |
| | Single 18–19 (Living at Home) | na | na |
| | Sole parent | | \$241.47 |
| Invalid's Benefit ⁵ | Married, each | \$175.61 | \$175.61 |
| | Single 18+ | \$210.72 | |
| | Single 16–17 | \$170.52 | |
| | Sole parent | | \$276.82 |
| Domestic Purposes Benefit ⁵ | Sole Parents | | \$241.47 |
| | Women Alone | \$175.61 | |
| Domestic Purposes Benefit – Care of Sick or Infirm ^{5,6} | Single 18+ | \$210.72 | |
| | Single 16–17 | \$170.52 | |
| | Sole parent | | \$276.82 |
| | Half married rate | \$175.61 | |
| Emergency Maintenance Allowance | Age 16–17 (Living at Home) | | \$112.38 |
| | Age 16–17 (Away from Home) | | \$241.47 |
| | 18 or over | | \$241.47 |
| Widow's Benefit ⁵ | | \$175.61 | \$241.47 |

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 2005. Tax at the "M" rate is calculated retrospectively and paid to Inland Revenue.
- 3 Rates shown exclude Family Support payments. Benefit recipients with dependent children qualify for Family Support, a programme funded by Inland Revenue. See Table 2.2 for rates of Family Support.
- 4 People who have received a Sickness Benefit since before 1 July 1998 receive the old (higher) Sickness Benefit rates.
- 5 Some recipients are paid weekly, while others are paid fortnightly at double the indicated rates.
- 6 Only the caregiver receives payment.

Supplementary benefits

Under the Social Security Act 1964, Work and Income delivers supplementary benefits to:

- people receiving an income-tested benefit or pension
- other people with low incomes and few assets
- people with particular needs (eg costs arising from a health issue or a medical condition).

Supplementary benefits are available to assist with accommodation costs, with childcare costs, with health-related or medical-related costs, and with meeting some other urgent and essential needs.

Supplementary benefits may be paid on an ongoing basis or as one-off payments. Eligibility for supplementary benefits usually depends on income and assets.

For more information about eligibility for supplementary benefits, see Section 4 of this report.

Payment rates for supplementary benefits

Table 2.2 shows maximum weekly rates for a selection of the main supplementary benefits available. In some cases, the payment actually made may be less than the amount shown. This occurs because the level of supplementary benefit paid depends on the costs incurred by the client, or because other income is taken into account.

table
2.2

Weekly payment rates for selected supplementary benefits (payable from 1 April 2005)

| 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 (Maximum per year \$3,420.00) | \$85.50 |
| Disability Allowance | Maximum amount | \$49.48 |
| Child Disability Allowance | Fixed rate | \$37.28 |
| Childcare Subsidy ⁶ | Maximum amount | \$145.00 |
| Unsupported Child's Benefit and Orphan's Benefit (per child) ⁷ | Child is aged 14 years or over | \$128.97 |
| | Child is aged 10–13 years | \$120.43 |
| | Child is aged 5–9 years | \$111.88 |
| | Child is aged under 5 years | \$94.77 |
| Family Support ^{8,9} | First child or only child 15 years or under | \$72.00 |
| | Second or subsequent child 0–12 years | \$47.00 |
| | Second or subsequent child 13–15 years | \$55.00 |
| | First child or only child 16 years and over | \$85.00 |
| | Second or subsequent child 16 years or over | \$75.00 |

Notes

- 1 This is a selection of the more common types of supplementary benefits. These types of benefit may be received in combination with some income-tested benefit or pension, and may also be available to low-income earners.
- 2 All rates payable from 1 April 2005.
- 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 Some recipients are paid weekly, while others are paid fortnightly at double the indicated rates.
- 8 Administered by Inland Revenue, but payments to Work and Income clients may be made through Work and Income.
- 9 Payments under this programme are not included in the expenditures reported in this publication. See the Inland Revenue *Annual Report* for information on expenditures under this programme.

Pensions

Most pensions are paid to people who have reached retirement age. Pensions aim in part to acknowledge recipients' contribution to society, either as citizens or as members of the armed forces.

Two types of pensions are paid by Work and Income:

- New Zealand Superannuation – available to people who have reached the age of eligibility (currently 65 years) and who meet other eligibility criteria (eg residency). People who do not meet the eligibility criteria but who are married to a qualified recipient of New Zealand Superannuation may receive this pension as a “non-qualified spouse”.
- Veteran's Pension – available to ex-service personnel who 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.

Surviving spouses of Veteran's Pension recipients may choose to continue receiving a Veteran's Pension at the single person rate.

Eligibility for a War Disablement Pension, and the rate at which a War Disablement Pension may be paid, are determined through an assessment of the level of disability that the client has as a result of military service. This assessment is carried out by a board of assessors who are independent of MSD. War Disablement Pensions are not income tested or asset tested, and clients may receive one along with income from any other source, including other benefits, pensions or income from employment.

Pensions are not income tested except where:

- a non-qualified spouse is receiving New Zealand Superannuation or a Veteran's Pension, or
- a qualified Veteran's Pension recipient is aged under 65 years.

Clients receiving pensions are eligible to receive supplementary benefits from Work and Income to assist with meeting necessary costs of living. Supplementary benefits paid to people receiving pensions are income tested and asset tested in the same way as for other clients.

For more information about eligibility criteria for New Zealand Superannuation and Veteran's Pensions, see Section 3 of this report.

Payment rates for pensions

The payment rates for New Zealand Superannuation and Veteran's Pensions 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, while a single person sharing accommodation receives 60% of that rate.

Table 2.3 shows rates payable for New Zealand Superannuation and Veteran's Pensions as at 1 April 2005.

**table
2.3**

Weekly payment rates for New Zealand Superannuation and Veteran's Pensions (payable from 1 April 2005)

| 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 | \$196.78 | \$185.81 |
| Married, each, only one qualifies ⁴ | \$187.64 | \$176.67 |
| Married, each, only one qualifies, and application accepted before 1 October 1991 ⁴ | \$196.78 | \$185.81 |
| Single, living alone | \$255.81 | \$244.84 |
| Single, living with others | \$236.14 | \$225.17 |

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 2005. New Zealand Superannuation and Veteran's Pension payments are made fortnightly at double the indicated rates.
- ³ Rates shown are exclusive of Family Support payments (if any) made by Inland Revenue.
- ⁴ Where one partner is under the qualifying age, or does not meet residency requirements, the amount paid is income tested. The qualified spouse can opt to receive the "Married" rate where only one partner qualifies. Rates shown for single people or where both partners qualify are not income tested.

Hardship assistance

Work and Income delivers hardship assistance to people who have insufficient income and assets to meet specified and necessary costs of living from their own resources. People with a low income from employment may be eligible to receive this assistance, as well as people receiving a benefit or pension from Work and Income.

Hardship assistance may be paid as:

- an ongoing payment (a Special Benefit) to people whose outgoings exceed their income on an ongoing basis, or
- one-off lump sums to meet specific essential expenses.

Hardship assistance provided as lump sums 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).

Employment services

Work and Income provides access to a range of support services and training opportunities that assist work services clients in obtaining ongoing paid employment. These include:

- one-to-one assistance with job search and preparation to enter employment
- employment or training programmes that assist clients to prepare for work, to find a job or to enter employment
- referral of clients to vacancies that are notified to Work and Income
- subsidies (paid for a limited period) that assist employers with the cost of wages paid to a client whom they hire
- assistance for clients to set up their own business, including access to business development advice and to subsidies (paid for a limited period) that assist with initial capital requirements or operating costs
- Transition to Work assistance, which assists clients with meeting the costs of finding, taking up and retaining paid employment.

Registered job seekers

All registered job seekers must be:

- working less than 30 hours per week
- seeking to work more hours
- available for and actively seeking work.

Since 2001, between 97% and 99% of work services clients have been registered job seekers, while the others have comprised:

- vacation workers
- people already in full-time work (ie working 30 or more hours per week) who are seeking to change jobs.

The number of registered job seekers is an administrative statistic that differs from, and is usually higher than, the number of officially unemployed. See Appendix 2 for a definition of the officially unemployed, and for information about the difference between this group and registered job seekers.

Transition to Work assistance

Transition to Work assistance assists work services clients with meeting the costs of seeking or taking up paid work. In addition, clients who have recently taken up paid work may be eligible for financial assistance:

- to meet living costs while waiting for their first pay
- to replace lost income when:
 - they are unable to engage in seasonal work because of adverse weather
 - they are unable to work because of illness (their own or that of a dependent), or because of a breakdown in childcare arrangements.

Overall trends in use of financial assistance and employment services

There have been decreases since 2001 in the total numbers of (see [Table 2.4](#)):

- clients receiving an income-tested benefit
- registered job seekers.

These decreases were apparent among clients of all ages and among working aged clients (see [Table 2.4](#)), and reflect a number of factors, including:

- improved economic conditions (reflected in falling official unemployment levels)
- changes in MSD policies and in Work and Income operational processes, including:
 - the removal of work-test requirements for recipients of Domestic Purposes Benefits and Widow's Benefits from 10 March 2003, and replacement of these requirements with the Personal Development and Employment Plan process
 - Work and Income placing an increased emphasis on supporting job seekers into paid work and on the ongoing support of clients who have obtained paid work.

Increases since 2001 in the number of people receiving a pension (see [Table 2.4](#)) reflect the combined impact of:

- ageing of the New Zealand population, which results in New Zealand Superannuation pensions granted each year exceeding cessations of New Zealand Superannuation over the same period
- fixing (from 1 April 2001) of the eligibility age for New Zealand Superannuation.

Fluctuations since 2001 in the number of people receiving one or more supplementary benefits and/or a Special Benefit (see [Table 2.4](#)) reflect the impact of:

- changes in the numbers of people receiving an income-tested benefit
- changes in economic conditions
- Work and Income initiatives aimed at ensuring that staff and clients are aware of the availability of and eligibility criteria for a Special Benefit (these initiatives have contributed to a sharp increase between 2002 and 2004 in numbers receiving a Special Benefit)
- the introduction of the Working for Families package, which extended the eligibility of low-income working families to Accommodation Supplements and Childcare Subsidies.

table
2.4

Trends in the number of people receiving financial assistance from Work and Income, and in the number of registered job seekers

| Client group | Clients receiving financial assistance from Work and Income or registered as job seekers ¹ | | | | |
|---|---|----------------|----------------|----------------|----------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| All recipients of an income-tested benefit ² | 364,014 | 352,742 | 344,670 | 320,121 | 301,389 |
| Working aged recipients of an income-tested benefit ² | 354,240 | 342,933 | 334,173 | 309,360 | 290,466 |
| All registered job seekers | 191,855 | 167,717 | 144,576 | 107,590 | 83,633 |
| Working aged registered job seekers | 187,841 | 164,413 | 141,200 | 104,360 | 80,869 |
| Pension recipients ^{3,4} | 454,131 | 458,022 | 465,150 | 473,089 | 484,086 |
| Recipients of one or more supplementary benefits or of a Special Benefit ^{5,6} | 438,545 | 437,556 | 442,801 | 437,473 | 450,002 |

Notes

- 1 Numbers of clients recorded in SWIFTT or SOLO as receiving assistance from Work and Income at the end of June.
- 2 All counts of recipients of income-tested benefits in this report exclude partners, spouses and children of people receiving income-tested benefits.
- 3 All counts of pension recipients in this report include qualified recipients and non-qualified spouses receiving pensions, but exclude other dependants.
- 4 All counts of pension recipients in this report exclude recipients of War Disablement Pensions. 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 and a Special Benefit. Statistics on clients receiving one or more supplementary benefits include clients receiving an Unsupported Child's Benefit or an Orphan's Benefit.
- 6 These clients may be receiving a pension or an income-tested benefit, or may have 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

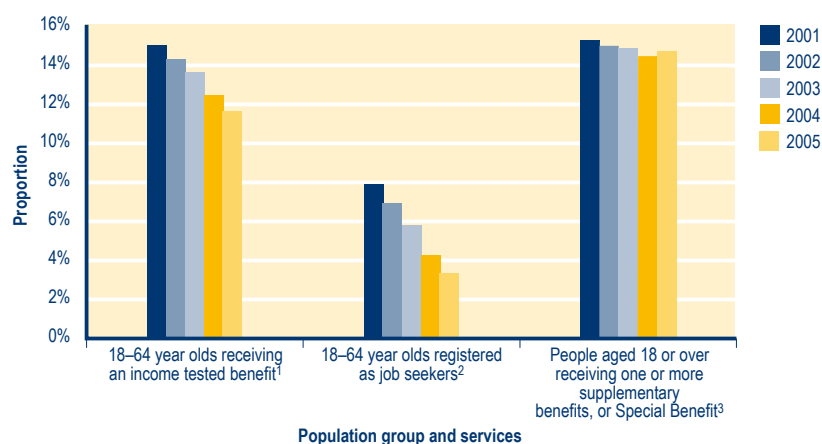
Decreases since 2001 in the proportions of working aged people receiving an income-tested benefit and registered as job seekers (see [Figure 2.1](#)) reflect the economic, operational and demographic factors outlined above.

Since 2001, working aged people have been significantly more likely to be receiving an income-tested benefit than to be registered as a job seeker (see [Figure 2.1](#)). This reflects the complexity of factors leading to a client receiving an income-tested benefit.

Over the same period, around 14% of people aged 18 years or over have been receiving one or more supplementary benefits or a Special Benefit (see [Figure 2.1](#)).

figure
2.1

Trends in the proportion of working aged people receiving an income-tested benefit, of working aged people registered as job seekers, and of people aged 18 years or over receiving one or more supplementary benefits and/or a Special Benefit



Notes

- 1 Proportion shows:
 - a numbers of 18-64 year olds recorded in SWIFTT as receiving an income-tested benefit at the end of June, divided by
 - b Statistics New Zealand final estimate of the resident population aged 18-64 years at the end of June.
- 2 Proportion shows:
 - a numbers of 18-64 year olds registered in SOLO as job seekers at the end of June, divided by
 - b Statistics New Zealand final estimate of the resident population aged 18-64 years at the end of June.
- 3 Proportion shows:
 - a numbers 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) and/or a Special Benefit at the end of June, divided by
 - b Statistics New Zealand final estimate of the resident population aged 18 years or over at the end of June.

See [Table A3.1](#) (Appendix 3) for a summary of the SWIFTT data underlying [Figure 2.1](#).

Since 2001, around 94% of people aged 65 years or over have been receiving New Zealand Superannuation or a Veteran's Pension.

Summary information on use of income-tested benefits

Trends in the number of clients receiving an income-tested benefit

Decreases since 2001 in the number of clients receiving an income-tested benefit (see [Table 2.5](#)) reflect the combination of economic changes, demographic changes, policy changes and operational factors outlined above. Demographic changes affecting numbers receiving an income-tested benefit include an ageing population, people having children later and increased migration from overseas.

Since 2001, virtually all recipients of income-tested benefits each year have been working aged. In each year over this period, around 57% of the working aged recipients of income-tested benefits were aged 25–49 years, while between 25% and 28% were aged 50–64 years (see [Table 2.5](#)).

table
2.5

Trends in the age of recipients of an income-tested benefit

| Age of client at the end of June | Working aged clients receiving an income-tested benefit ¹ | | | | |
|----------------------------------|--|----------------|----------------|----------------|----------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| 18–19 years | 18,595 | 17,396 | 16,438 | 13,508 | 11,763 |
| 20–24 years | 47,465 | 45,112 | 42,854 | 36,590 | 33,123 |
| 25–29 years | 45,253 | 42,255 | 39,776 | 35,878 | 32,900 |
| 30–34 years | 45,575 | 43,954 | 42,208 | 38,506 | 34,911 |
| 35–39 years | 43,513 | 41,822 | 40,623 | 37,762 | 35,805 |
| 40–44 years | 37,110 | 37,159 | 37,434 | 35,774 | 34,154 |
| 45–49 years | 28,628 | 28,602 | 28,934 | 28,018 | 27,511 |
| 50–54 years | 25,758 | 25,277 | 24,981 | 24,399 | 23,946 |
| 55–59 years | 26,544 | 26,598 | 27,268 | 26,265 | 25,351 |
| 60–64 years | 35,799 | 34,758 | 33,657 | 32,660 | 31,002 |
| Total working aged clients | 354,240 | 342,933 | 334,173 | 309,360 | 290,466 |
| | Other clients receiving an income-tested benefit ¹ | | | | |
| Total other clients | 9,774 | 9,809 | 10,497 | 10,761 | 10,923 |
| | All clients receiving an income-tested benefit ¹ | | | | |
| Total | 364,014 | 352,742 | 344,670 | 320,121 | 301,389 |

Note

¹ Numbers of clients recorded in SWIFTT as receiving an income-tested benefit at the end of June.

Since 2001, there have been increases in the proportions of working aged recipients of an income-tested benefit who:

- were receiving a carer's benefit (from 30% to 36%) or an Invalid's Benefit (from 17% to 25%) (see [Table 2.6](#))
- had received their current benefit for over four years (from 28% to 35%) (see [Table 2.7](#)).

Over the same period, the proportion of working aged recipients of an income-tested benefit in each year who were receiving an unemployment-related benefit decreased (from 37% to 19%) (see [Table 2.6](#)).

table
2.6

Trends in the type of income-tested benefit received by working aged clients

| Type of income-tested benefit received at the end of June | Working aged clients receiving an income-tested benefit ¹ | | | | |
|---|--|----------------|----------------|----------------|----------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| Unemployment-related benefits ² | 131,427 | 118,553 | 103,867 | 73,572 | 55,342 |
| Carer's benefits ³ | 107,235 | 107,414 | 108,690 | 108,893 | 105,647 |
| Sickness-related benefits ⁴ | 33,327 | 36,024 | 39,490 | 43,698 | 45,176 |
| Invalid's Benefit | 58,585 | 63,214 | 67,130 | 70,807 | 73,186 |
| Widow's Benefit | 8,765 | 8,647 | 8,526 | 8,261 | 7,637 |
| Transitional Retirement Benefit ⁵ | 8,974 | 5,104 | 2,094 | 0 | 0 |
| Emergency Benefit | 5,927 | 3,977 | 4,376 | 4,129 | 3,478 |
| Total | 354,240 | 342,933 | 334,173 | 309,360 | 290,466 |

Notes

- 1 Numbers of working aged clients recorded in SWIFTT as receiving an income-tested benefit at the end of June.
- 2 Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people or to those in training, and Independent Youth Benefits.
- 3 Includes Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.
- 4 Includes Sickness Benefits and Sickness Benefits – Hardship.
- 5 This benefit was abolished on 1 April 2004.

table
2.7

Trends in the length of current spells receiving an income-tested benefit, for working aged clients

| Length of current spell at the end of June | Working aged clients receiving an income-tested benefit ¹ | | | | |
|--|--|----------------|----------------|----------------|----------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| Under 6 months | 80,386 | 77,925 | 74,258 | 65,202 | 57,892 |
| 6 months – 2 years | 106,333 | 101,242 | 96,975 | 84,357 | 79,504 |
| 2–4 years | 70,232 | 63,939 | 57,848 | 55,720 | 52,118 |
| Over 4 years | 97,289 | 99,827 | 105,092 | 104,081 | 100,952 |
| Total | 354,240 | 342,933 | 334,173 | 309,360 | 290,466 |

Note

- 1 Numbers of working aged clients recorded in SWIFTT as receiving an income-tested benefit at the end of June.

Of the working aged recipients of an income-tested benefit each year since 2002 (see [Table 2.8](#)):

- between 46% and 50% identified as New Zealand Europeans
- around 30% identified as Māori
- between 11% and 14% identified with “other” ethnic groups.

The reduction between 2001 and 2002 in the proportion of working aged recipients of an income-tested benefit without a coded ethnicity (see [Table 2.8](#)) largely reflects operational improvements in the recording of ethnicity. These changes resulted in increases in the proportion of recipients of an income-tested benefit who were recorded as identifying with a specific ethnic group.

table
2.8**Trends in the ethnicity of working aged recipients of an income-tested benefit**

| Recorded ethnicity at the end of June | Working aged clients receiving an income-tested benefit ¹ | | | | |
|---------------------------------------|--|----------------|----------------|----------------|----------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| Māori | 93,269 | 102,504 | 101,359 | 94,714 | 89,822 |
| Pacific peoples | 25,627 | 25,156 | 24,614 | 22,903 | 21,526 |
| Other ethnic groups | 30,729 | 37,387 | 45,683 | 42,161 | 39,131 |
| New Zealand European | 161,986 | 169,879 | 158,351 | 144,890 | 135,224 |
| Not coded | 42,629 | 8,007 | 4,166 | 4,692 | 4,763 |
| Total | 354,240 | 342,933 | 334,173 | 309,360 | 290,466 |

Note

1 Numbers of working aged clients recorded in SWIFTT as receiving an income-tested benefit at the end of June.

Trends in income-tested benefits granted

Decreases since 2000/2001 in the annual number of income-tested benefits granted (see [Table 2.9](#)) largely reflect improved economic conditions. Since 2000/2001, virtually all of the income-tested benefits granted each year have been provided to working aged clients.

table
2.9**Overall trends in the number of income-tested benefits granted**

| | Income-tested benefits granted ¹ | | | | |
|----------------------|---|------------------|------------------|------------------|------------------|
| | 2000/2001 Number | 2001/2002 Number | 2002/2003 Number | 2003/2004 Number | 2004/2005 Number |
| Working aged clients | 288,572 | 277,778 | 263,683 | 241,483 | 218,491 |
| Other clients | 8,858 | 8,611 | 8,855 | 8,760 | 8,808 |
| Total | 297,430 | 286,389 | 272,538 | 250,243 | 227,299 |

Note

1 Numbers of successful applications for income-tested benefits recorded in SWIFTT during years ended June.

Of the income-tested benefits granted to working aged clients in each year since 2000/2001:

- between 38% and 40% were provided to clients who had not received an income-tested benefit in the previous 12 months (see [Table 2.10](#))
- between 27% and 29% involved clients transferring from another benefit or district (see [Table 2.10](#))
- an increasing proportion were sickness-related benefits (22% in 2004/2005, compared with 13% in 2000/2001) (see [Table 2.11](#))
- a decreasing proportion were unemployment-related benefits (53% in 2004/2005, compared with 66% in 2000/2001) (see [Table 2.11](#)).

table
2.10**Trends in the length of period since working aged clients granted an income-tested benefit last received any income-tested benefit**

| Period since client last received any income-tested benefit | Income-tested benefits granted to working aged clients ¹ | | | | |
|---|---|------------------|------------------|------------------|------------------|
| | 2000/2001 Number | 2001/2002 Number | 2002/2003 Number | 2003/2004 Number | 2004/2005 Number |
| None (clients transferring between benefits or districts, or transferring from the same type of benefit) ^{2,3} | 76,778 | 74,345 | 70,309 | 69,348 | 61,276 |
| Under 6 months | 51,451 | 50,709 | 48,635 | 44,724 | 41,253 |
| 6–12 months | 45,038 | 43,274 | 40,247 | 35,491 | 32,419 |
| 12–18 months | 12,855 | 12,683 | 12,532 | 11,136 | 10,696 |
| 18 months – 2 years | 9,836 | 10,047 | 9,918 | 8,893 | 8,120 |
| 2–4 years | 18,919 | 18,313 | 17,736 | 16,765 | 15,250 |
| Had not received an income-tested benefit in previous four years | 73,695 | 68,407 | 64,306 | 55,126 | 49,477 |
| Total | 288,572 | 277,778 | 263,683 | 241,483 | 218,491 |

Notes

- Numbers of successful applications from working aged clients for income-tested benefits recorded in SWIFTT during years ended June.
- Includes only a minority of transfers of benefits between districts. Most transfers between districts are accomplished without cancelling and re-granting benefits.
- Transfers from the same type of benefit may occur when clients receiving hardship assistance become eligible for statutory benefits (eg a transfer from a Sickness Benefit – Hardship to a Sickness Benefit), or may reflect a change in client circumstances (eg a client completing a training course may transfer from an Unemployment Benefit – Training to an Unemployment Benefit payable to an unemployed person).

table
2.11**Trends in the type of income-tested benefits granted to working aged clients**

| Type of income-tested benefit granted | Income-tested benefits granted to working aged clients ¹ | | | | |
|--|---|------------------|------------------|------------------|------------------|
| | 2000/2001 Number | 2001/2002 Number | 2002/2003 Number | 2003/2004 Number | 2004/2005 Number |
| Unemployment-related benefits ² | 190,311 | 178,866 | 161,841 | 134,572 | 115,508 |
| Carer's benefits ³ | 38,101 | 36,692 | 36,782 | 36,604 | 35,304 |
| Sickness-related benefits ⁴ | 38,223 | 41,273 | 43,343 | 47,663 | 47,259 |
| Invalid's Benefit | 9,465 | 10,577 | 10,562 | 11,044 | 10,898 |
| Widow's Benefit | 1,982 | 1,992 | 2,123 | 1,981 | 1,953 |
| Transitional Retirement Benefit ⁵ | 4,453 | 3,573 | 2,977 | 1,242 | 0 |
| Emergency Benefit | 6,037 | 4,805 | 6,055 | 8,377 | 7,569 |
| Total | 288,572 | 277,778 | 263,683 | 241,483 | 218,491 |

Notes

- Numbers of successful applications from working aged clients for income-tested benefits recorded in SWIFTT during years ended June.
- Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people or to those in training, and Independent Youth Benefits.
- Includes Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.
- Includes Sickness Benefits and Sickness Benefits – Hardship.
- This benefit was abolished on 1 April 2004.

Trends in income-tested benefits cancelled

Reductions since 2000/2001 in the number of income-tested benefits cancelled each year (see [Table 2.12](#)) reflect the reduction in total numbers receiving an income-tested benefit. This in turn reflects improved economic conditions and increased case management of clients following the extension of work testing for clients receiving income-tested benefits. Since 2000/2001, virtually all cancellations of income-tested benefits have been by working aged clients.

table
2.12

Overall trends in the number of cancellations of income-tested benefits

| | Income-tested benefits cancelled ¹ | | | | |
|----------------------|---|---------------------|---------------------|---------------------|---------------------|
| | 2000/2001 Number | 2001/2002 Number | 2002/2003 Number | 2003/2004 Number | 2004/2005 Number |
| Working aged clients | 301,363 | 290,908 | 275,021 | 267,766 | 239,818 |
| Other clients | 5,556 | 8,042 | 8,422 | 9,220 | 9,508 |
| Total | 306,919 | 298,950 | 283,443 | 276,986 | 249,326 |

Note

¹ Numbers of cancellations of income-tested benefits recorded in SWIFTT during years ended June.

Of the cancellations of income-tested benefits by working aged clients in each year since 2000/2001:

- around 36% reflected clients entering paid work (see [Table 2.13](#))
- around 25% reflected transfers to another benefit, pension or district (see [Table 2.13](#))
- an increasing proportion involved cancelling sickness-related benefits (19% in 2004/2005, compared with 12% in 2000/2001) (see [Table 2.14](#))
- a decreasing proportion involved cancelling unemployment-related benefits (57% in 2004/2005, compared with 69% in 2000/2001) (see [Table 2.14](#)). This reflects decreasing use of unemployment-related benefits.

table
2.13

Trends in the reason for working aged clients cancelling income-tested benefits

| Reason income-tested benefit cancelled | Income-tested benefits cancelled by working aged clients ¹ | | | | |
|--|---|---------------------|---------------------|---------------------|---------------------|
| | 2000/2001 Number | 2001/2002 Number | 2002/2003 Number | 2003/2004 Number | 2004/2005 Number |
| Obtained paid work ² | 107,781 | 104,478 | 97,794 | 94,983 | 88,413 |
| Transferred to another benefit, pension or district ^{3,4} | 77,156 | 75,949 | 70,890 | 69,324 | 60,320 |
| Qualified for New Zealand Superannuation ³ | 1,451 | 2,353 | 2,326 | 1,768 | 1,565 |
| Other ² | 114,975 | 108,128 | 104,011 | 101,691 | 89,520 |
| Total | 301,363 | 290,908 | 275,021 | 267,766 | 239,818 |

Notes

- ¹ Numbers of cancellations by working aged clients of income-tested benefits recorded in SWIFTT during years ended June.
- ² Due to recoding of reasons for cancelling income-tested benefits, these figures may not reconcile with those published in previous years.
- ³ "Transferred to another benefit [or] pension" includes some transfers from income-tested benefits to New Zealand Superannuation. These are additional to the number shown above as "Qualified for New Zealand Superannuation".
- ⁴ "Transferred to another ... district" represents cancellations undertaken so a client's benefit can be administered from a different Work and Income service centre. These changes may address a change of address by the client or an administrative decision by Work and Income. A majority of transfers of benefits between districts are completed without cancelling the client's benefit, and therefore are not included above.

table
2.14**Trends in the type of income-tested benefits cancelled by working aged clients**

| Type of income-tested benefit cancelled | Income-tested benefits cancelled by working aged clients ¹ | | | | |
|--|---|------------------|------------------|------------------|------------------|
| | 2000/2001 Number | 2001/2002 Number | 2002/2003 Number | 2003/2004 Number | 2004/2005 Number |
| Unemployment-related benefits ² | 208,135 | 195,221 | 180,279 | 167,674 | 137,069 |
| Carer's benefits ³ | 39,189 | 37,646 | 36,690 | 37,627 | 38,960 |
| Sickness-related benefits ⁴ | 36,590 | 38,368 | 39,905 | 42,608 | 45,219 |
| Invalid's Benefit | 5,308 | 5,821 | 6,389 | 7,158 | 7,961 |
| Widow's Benefit | 2,118 | 2,041 | 2,201 | 2,138 | 2,189 |
| Transitional Retirement Benefit ⁵ | 3,859 | 5,312 | 4,331 | 2,352 | 0 |
| Emergency Benefit | 6,164 | 6,499 | 5,226 | 8,209 | 8,420 |
| Total | 301,363 | 290,908 | 275,021 | 267,766 | 239,818 |

Notes

- 1 Numbers of cancellations by working aged clients of income-tested benefits recorded in SWIFTT during years ended June.
- 2 Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to those in training, and Independent Youth Benefits.
- 3 Includes Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.
- 4 Includes Sickness Benefits and Sickness Benefits – Hardship.
- 5 This benefit was abolished on 1 April 2004.

Trends in expenditure on pensions and income-tested benefits

Please note that expenditure data provided in [Table 2.15](#) and [Table 2.16](#) excludes expenditure on supplementary benefits paid to recipients of the income-tested benefit shown, while expenditure data provided in Sections 3 and 7 of this report includes it.

Please note also that expenditure data provided in this report for unemployment-related benefits includes expenditure on:

- Emergency Benefits paid to unemployed people and trainees, which were available after 1 October 1998
- Emergency Unemployment Benefits paid to unemployed people prior to that time.

This aims to ensure a consistent series over time for expenditure on unemployment-related benefits. Numbers of clients receiving, granted or ceasing unemployment-related benefits provided earlier, however, exclude information about the Emergency Benefit and the Emergency Unemployment Benefit.

Decreases since 2001/2002 in expenditure on income-tested benefits (see [Table 2.15](#)) largely reflect decreases in the use of these benefits. Of total expenditure on income-tested benefits since 2000/2001 (see [Table 2.15](#)):

- carer's benefits accounted for between 33% and 38%
- an increasing proportion was accounted for by Invalid's Benefits (26% in 2004/2005, compared with 17% in 2000/2001)
- a decreasing proportion was accounted for by unemployment-related benefits (21% in 2004/2005, compared with 36% in 2000/2001).

These variations reflect changes in patterns of uptake and use of income-tested benefits.

Increases since 2000/2001 in pension expenditure (see [Table 2.15](#)) reflect:

- increases in the number of clients receiving pensions (which in turn reflects an ageing population)
- adjustments to the rate at which pensions are paid.

Over this period, New Zealand Superannuation has accounted for around 98% of total expenditure on pensions (see [Table 2.15](#)).

table
2.15**Trends in expenditure on pensions and income-tested benefits**

| Type of pension or income-tested benefit | Expenditure on pensions and income-tested benefits ^{1,2,3} | | | | |
|--|---|------------------------------|------------------------------|------------------------------|------------------------------|
| | 2000/2001 Amount (\$m) | 2001/2002 Amount (\$m) | 2002/2003 Amount (\$m) | 2003/2004 Amount (\$m) | 2004/2005 Amount (\$m) |
| Unemployment-related benefits and Emergency Benefit ^{4,6} | 1,298 | 1,186 | 1,102 | 939 | 721 |
| Carer's benefits ^{4,7} | 1,201 | 1,250 | 1,260 | 1,303 | 1,283 |
| Sickness-related benefits ^{4,8} | 297 | 318 | 356 | 398 | 431 |
| Invalid's Benefit ⁴ | 627 | 698 | 766 | 817 | 858 |
| Widow's Benefit ⁴ | 77 | 77 | 79 | 78 | 74 |
| Transitional Retirement Benefit ^{4,9} | 107 | 81 | 39 | 9 | 0 |
| Total expenditure on income-tested benefits ⁴ | 3,607 | 3,610 | 3,603 | 3,543 | 3,368 |
| New Zealand Superannuation ⁵ | 4,358 | 4,531 | 4,644 | 4,837 | 4,984 |
| Veteran's Pension ⁵ | 75 | 80 | 84 | 91 | 98 |
| Total pensions expenditure ⁵ | 4,432 | 4,611 | 4,728 | 4,928 | 5,083 |
| Total expenditure on income-tested benefits and pensions | 8,040 | 8,222 | 8,331 | 8,471 | 8,450 |

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 income-tested benefits excludes tax paid on income-tested benefits, and excludes supplementary benefits provided to recipients of an income-tested benefit.
- 5 Expenditure on pensions excludes tax estimated at the "M" tax rate, and excludes supplementary benefits provided to pension recipients. Expenditure on pensions paid to recipients living in the United Kingdom is also excluded.
- 6 Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to those in training, and Independent Youth Benefits. Also includes Emergency Benefits paid to unemployed people or trainees since 1 October 1998, and Emergency Unemployment Benefits paid prior to 1 October 1998.
- 7 Includes Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefit – Women Alone, and Emergency Maintenance Allowances.
- 8 Includes Sickness Benefits and Sickness Benefits – Hardship.
- 9 This benefit was abolished on 1 April 2004.

Trends in the proportion of Gross Domestic Product accounted for by expenditure on pensions and income-tested benefits

Reductions since 2000/2001 in the proportion of Gross Domestic Product accounted for by expenditure on pensions and income-tested benefits (see [Table 2.16](#)) reflect a combination of:

- increases in Gross Domestic Product
- increases in pension expenditure which are slower than increases in Gross Domestic Product
- relatively static expenditure on income-tested benefits between 2000/2001 and 2002/2003, followed by significant decreases in this expenditure over the last two years.

table
2.16**Trends in the proportion of Gross Domestic Product accounted for by expenditure on pensions and income-tested benefits**

| Type of expenditure | Expenditure on pensions and income-tested benefits ^{1,2,3} | | | | |
|--|---|-----------|-----------|-----------|-----------|
| | 2000/2001 | 2001/2002 | 2002/2003 | 2003/2004 | 2004/2005 |
| Total expenditure on income-tested benefits (\$m) ⁴ | 3,607 | 3,610 | 3,603 | 3,543 | 3,368 |
| Total expenditure on pensions (\$m) ⁵ | 4,432 | 4,611 | 4,728 | 4,928 | 5,083 |
| Total expenditure on pensions and income-tested benefits (\$m) | 8,040 | 8,222 | 8,331 | 8,471 | 8,450 |
| Gross Domestic Product (\$m) ⁶ | 117,200 | 124,538 | 130,420 | 140,358 | 149,505 |
| Percentage of Gross Domestic Product ⁷ | 6.9% | 6.6% | 6.4% | 6.0% | 5.7% |

Notes

- 1 Expenditure on pensions and income-tested 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 income-tested benefits, and excludes expenditure on supplementary benefits provided to recipients of income-tested benefits.
- 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 Gross Domestic Product in actual current prices (Statistics New Zealand series SNC-S1NB15). Statistics provided include all revisions as at release of June 2005 quarter data. Value shown is sum of quarters ended September to June.
- 7 Total combined expenditure on pensions and income-tested benefits for years ended June as a percentage of Gross Domestic Product in years ended June.

Trends in the distribution of income-tested benefit expenditure among client groups

The distribution among client groups of expenditure on income-tested benefits reflects a combination of factors, including patterns in:

- uptake of income-tested benefits
- the length of spells receiving an income-tested benefit
- whether or not clients have dependent children.

Of annual expenditure on income-tested benefits each year since 2000/2001:

- between 37% and 40% was accounted for by clients aged 25–39 years (see [Table 2.17](#))
- around 24% was accounted for by clients aged 50–64 years (see [Table 2.17](#))
- between 62% and 65% was accounted for by women (see [Table 2.18](#))
- between 45% and 48% was accounted for by New Zealand Europeans (see [Table 2.19](#))
- around 30% was accounted for by Māori (see [Table 2.19](#)).

table
2.17**Trends in the distribution across age groups of expenditure on income-tested benefits**

| Age of client when payment made | Percentage of expenditure on income-tested benefits paid to working aged clients ^{1,2} | | | | |
|---------------------------------|---|----------------------|----------------------|----------------------|----------------------|
| | 2000/2001 Percent | 2001/2002 Percent | 2002/2003 Percent | 2003/2004 Percent | 2004/2005 Percent |
| 18–19 years | 4.0% | 3.8% | 3.7% | 3.5% | 3.3% |
| 20–24 years | 12.0% | 11.8% | 11.6% | 11.2% | 10.7% |
| 25–29 years | 13.2% | 12.7% | 12.2% | 11.9% | 11.5% |
| 30–39 years | 26.6% | 26.2% | 26.0% | 25.7% | 25.2% |
| 40–49 years | 18.3% | 18.8% | 19.5% | 20.1% | 20.7% |
| 50–59 years | 14.4% | 14.5% | 14.8% | 15.3% | 15.8% |
| 60–64 years | 9.1% | 9.6% | 9.5% | 9.4% | 9.6% |
| Total working aged clients | 97.7% | 97.5% | 97.3% | 97.1% | 96.8% |
| | Percentage of expenditure on income-tested benefits paid to other clients ^{1,2} | | | | |
| Total other clients | 2.3% | 2.5% | 2.7% | 2.9% | 3.2% |
| | Percentage of expenditure on income-tested benefits paid to all clients ^{1,2} | | | | |
| Total all clients | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

Notes

- 1 Percentage of expenditure on income-tested benefits in years ended June.
- 2 Excludes tax paid on income-tested benefits, and excludes expenditure on supplementary benefits provided to clients receiving an income-tested benefit.

table
2.18**Trends in the distribution across gender groups of expenditure on income-tested benefits**

| Gender of client | Percentage of expenditure on income-tested benefits ^{1,2} | | | | |
|------------------|--|----------------------|----------------------|----------------------|----------------------|
| | 2000/2001 Percent | 2001/2002 Percent | 2002/2003 Percent | 2003/2004 Percent | 2004/2005 Percent |
| Female | 61.7% | 62.2% | 62.9% | 64.0% | 65.1% |
| Male | 38.3% | 37.8% | 37.1% | 36.0% | 34.9% |
| Unspecified | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Total | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

Notes

- 1 Percentage of expenditure on income-tested benefits in years ended June.
- 2 Excludes tax paid on income-tested benefits, and excludes expenditure on supplementary benefits provided to clients receiving an income-tested benefit.

table
2.19**Trends in the distribution across ethnic groups of expenditure on income-tested benefits**

| Ethnic group client identifies with at end of year shown | Percentage of expenditure on income-tested benefits ^{1,2} | | | | |
|--|--|----------------------|----------------------|----------------------|----------------------|
| | 2000/2001 Percent | 2001/2002 Percent | 2002/2003 Percent | 2003/2004 Percent | 2004/2005 Percent |
| Māori | 29.9% | 30.0% | 30.2% | 30.5% | 30.7% |
| Pacific peoples | 7.7% | 7.8% | 7.8% | 7.8% | 7.9% |
| Other ethnic group | 14.0% | 14.6% | 15.3% | 15.2% | 15.3% |
| New Zealand European | 47.8% | 47.2% | 46.0% | 45.3% | 44.7% |
| Unspecified | 0.5% | 0.4% | 0.8% | 1.2% | 1.5% |
| Total | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

Notes

- 1 Percentage of expenditure on income-tested benefits in years ended June.
- 2 Excludes tax paid on income-tested benefits, and excludes expenditure on supplementary benefits provided to clients receiving an income-tested benefit.

Children dependent on recipients of an income-tested benefit and on registered job seekers

Trends in the number of children dependent on recipients of an income-tested benefit

Decreases since 2001 in the number of children dependent on recipients of an income-tested benefit (see [Table 2.20](#)) reflect decreases in the total number of people receiving an income-tested benefit. Since 2001 (see [Table 2.20](#)):

- virtually all children dependent on recipients of income-tested benefits have been dependent on working aged clients
- around 88% of the children dependent on working aged recipients of an income-tested benefit have been aged 14 years or under (by law, children aged under 14 years require supervision at all times).

table
2.20

Trends in the age of children dependent on recipients of an income-tested benefit

| Age of child at the end of June | Children dependent on working aged recipients of an income-tested benefit ¹ | | | | |
|--|--|----------------|----------------|----------------|----------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| 0–4 years | 81,558 | 78,840 | 76,913 | 74,540 | 70,248 |
| 5–9 years | 81,726 | 78,763 | 77,220 | 74,119 | 69,876 |
| 10–14 years | 70,792 | 70,134 | 69,394 | 66,858 | 63,348 |
| 15–17 years | 27,408 | 27,019 | 27,974 | 28,320 | 28,208 |
| 18–19 years | 1,536 | 1,611 | 1,593 | 1,619 | 1,648 |
| 20 years or over | 7 | 3 | 1 | 0 | 0 |
| Unspecified | 0 | 0 | 0 | 0 | 0 |
| Total children dependent on working aged recipients | 263,027 | 256,370 | 253,095 | 245,456 | 233,328 |
| | Children dependent on other recipients of an income-tested benefit¹ | | | | |
| Total children dependent on other recipients | 1,067 | 1,051 | 1,144 | 1,144 | 1,147 |
| | All children dependent on recipients of an income-tested benefit¹ | | | | |
| Total children dependent on recipients of income-tested benefits | 264,094 | 257,421 | 254,239 | 246,600 | 234,475 |

Note

- ¹ Numbers of children dependent on carers who were recorded in SWIFTT as receiving an income-tested benefit at the end of June.

Trends in the proportion of all children aged under 18 years dependent on recipients of an income-tested benefit

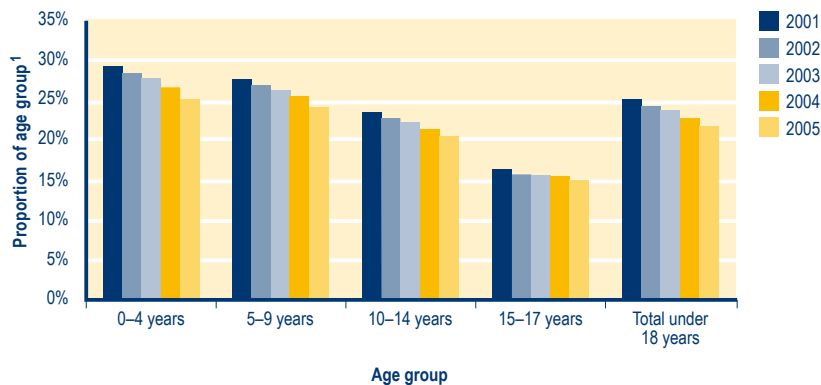
Decreases since 2001 in the proportion of all children aged under 18 years who were dependent on recipients of an income-tested benefit (see [Figure 2.2](#)) reflect:

- decreases in the number of people receiving an income-tested benefit (which in turn reflect economic changes, policy changes and operational changes, as outlined above)
- the ageing of children who do remain dependent on recipients of an income-tested benefit.

Since 2001, the prevalence of children aged under 18 years who were dependent on recipients of an income-tested benefit has decreased slightly with the increasing age of those children (see [Figure 2.2](#)).

figure
2.2

Trends in the proportion of children aged under 18 years dependent on recipients of an income-tested benefit, by age



Note

1 Proportion shows:

- numbers of children in age group identified as dependent on people recorded in SWIFT as receiving an income-tested benefit 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 A3.2](#) (Appendix 3) for a summary of the SWIFT data underlying [Figure 2.2](#).

Trends in the number of children dependent on registered job seekers

Decreases since 2001 in the number of children dependent on registered job seekers (see [Table 2.21](#)) reflect decreases in the total number of job seekers. Over this period (see [Table 2.21](#)):

- virtually all children dependent on job seekers have been dependent on working aged clients
- around 84% of children dependent on working aged job seekers have been aged 14 years or under (by law, children aged under 14 years require supervision at all times).

table
2.21

Trends in the age of children dependent on registered job seekers

| Age of child at the end of June | Children dependent on working aged job seekers ^{1,2} | | | | |
|---|---|----------------|----------------|----------------|----------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| 0-4 years | 19,499 | 16,873 | 16,585 | 13,757 | 10,749 |
| 5-9 years | 32,089 | 27,030 | 22,364 | 15,789 | 11,594 |
| 10-14 years | 34,700 | 31,269 | 25,851 | 17,175 | 12,168 |
| 15-17 years | 14,307 | 13,081 | 11,327 | 7,822 | 5,774 |
| 18-19 years | 830 | 785 | 709 | 492 | 407 |
| 20 years or over | 5 | 2 | 1 | 0 | 0 |
| Total children dependent on working aged job seekers | 101,430 | 89,040 | 76,837 | 55,035 | 40,692 |
| | Children dependent on other job seekers ^{1,2} | | | | |
| Total children dependent on other job seekers | 57 | 66 | 69 | 66 | 54 |
| | All children dependent on job seekers ^{1,2} | | | | |
| Total children dependent on job seekers | 101,487 | 89,106 | 76,906 | 55,101 | 40,746 |

Notes

- Information on numbers and ages of dependent children is only available for job seekers who were also receiving financial assistance from Work and Income. At each of the dates shown, around 95% of registered job seekers were receiving such assistance.
- Numbers of children dependent on job seekers registered in SOLO at the end of June.

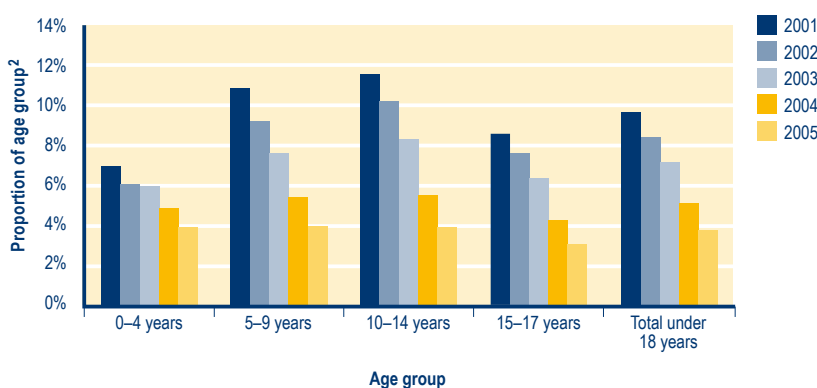
Trends in the proportion of all children aged under 18 years dependent on registered job seekers

Decreases since 2001 in the proportion of children aged under 18 years who were dependent on registered job seekers (see [Figure 2.3](#)) largely reflect decreases in the numbers of job seekers.

Since 2001, children aged 5–17 years have been more likely than children aged under five years to be dependent on registered job seekers. This reflects at least in part the difficulty people with dependent children aged under five years have in meeting the eligibility criteria for registration as a job seeker (eg availability for work).

figure
2.3

Trends in the proportion of children aged under 18 years dependent on registered job seekers, by age¹



Notes

- 1 Information on numbers and ages of dependent children is only available for job seekers who were also receiving financial assistance from Work and Income. At each of the dates shown, around 95% of registered job seekers were receiving such assistance.
- 2 Proportion shows:
 - a numbers of children in age group identified as dependent on job seekers registered in SOLO at the end of June, divided by
 - b Statistics New Zealand final estimate of the resident population in age group at the end of June.

See [Table A3.3](#) (Appendix 3) for a summary of the SWIFTT data underlying [Figure 2.3](#).

Other income declared by recipients of an income-tested benefit

People receiving an income-tested benefit have historically been able to earn up to \$80 per week (before tax) before their benefit payments are reduced. In addition, from 1 July 1996, clients receiving a Domestic Purposes Benefit, Widow's Benefit or Invalid's Benefit have faced lower abatement rates than clients receiving an Unemployment Benefit or a Sickness Benefit. This aims to give those less able to take up full-time employment an incentive to take up part-time employment.

Adjustments in 1996 and 1998 to the rate of tax paid on income earned through secondary employment also contributed to incentives for people receiving income-tested benefits to undertake paid work.

The assessment period for the income test is:

- annual for Domestic Purposes Benefits, Widow's Benefits, Invalid's Benefits, Transitional Retirement Benefits, and income-tested New Zealand Superannuation or Veteran's Pensions (these clients may, however, elect a weekly income assessment)
- weekly for all other income-tested benefits (unemployment-related benefits, sickness-related benefits, Emergency Benefits), and for all supplementary benefits.

In addition to the \$80 per week (before tax) income exemption:

- people receiving an Invalid's Benefit can earn an additional \$1,040 per year of personal earnings (before tax) without having their benefit payments reduced (special conditions apply for people receiving an Invalid's Benefit because of blindness)

- people receiving a Widow's Benefit or a Domestic Purposes Benefit – Sole Parents who are paying for childcare can earn an additional \$1,040 per year (before tax) before their benefit payments are reduced
- people with a severe disability may have some or all of their personal earnings exempted from an income test.

Between 1 February 1999 and 10 March 2003, people receiving a Domestic Purposes Benefit or Widow's Benefit who had no dependent children, or whose youngest dependent child was aged 14 years or over, were subject to a full-time work test. During this period, these clients also had any additional income abated under the same regime as people receiving an Unemployment Benefit.

As long as a non-qualified spouse is not included in their payment, people aged 65 years or over and receiving New Zealand Superannuation or a Veteran's Pension are not income tested or asset tested. All Veteran's Pension recipients aged under 65 years are, however, subject to an income test.

Clients not subject to an income test can earn other income without having their benefit or pension abated. Some supplementary benefits (eg Accommodation Supplement) are reduced when people receive other income. This may occur even if the amount earned is too low to affect their benefit payments, or if they are receiving a benefit or pension that is not income tested.

From 1 October 2004, people receiving an income-tested benefit and an Accommodation Supplement have not had their Accommodation Supplement reduced due to the receipt of other income. Once clients receiving an Accommodation Supplement cease receiving an income-tested benefit to enter paid work, however, they are liable to have their Accommodation Supplement reduced according to the amount of income they are receiving.

Trends in the number of recipients of an income-tested benefit who declared other income

Decreases since 2001 in the number of recipients of an income-tested benefit who declared other income (see [Table 2.22](#)) reflect decreases in the total number of people receiving an income-tested benefit.

Since 2001 (see [Table 2.22](#)):

- around 22% of working aged recipients of an income-tested benefit have declared other income
- the proportion of these clients who declared income of over \$80 per week before tax has increased (from 59% to 64%).

table
2.22**Trends in the level of other income declared by recipients of an income-tested benefit**

| Level of other income declared ¹ | Working aged recipients of an income-tested benefit ² | | | | |
|--|--|----------------|----------------|----------------|----------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| None or under \$1 (not declaring income) | 274,287 | 267,086 | 262,407 | 243,294 | 227,146 |
| Income declared³ | | | | | |
| \$1 – <\$40 | 17,493 | 15,844 | 14,305 | 12,787 | 11,618 |
| \$40 – <\$80 | 15,565 | 14,307 | 13,167 | 11,918 | 11,055 |
| \$80 – <\$120 | 16,417 | 15,816 | 14,991 | 13,605 | 13,468 |
| \$120 – <\$160 | 8,838 | 8,614 | 8,270 | 7,484 | 7,306 |
| \$160 – <\$180 | 3,517 | 3,408 | 3,325 | 3,022 | 2,868 |
| \$180 – <\$200 | 3,123 | 3,166 | 3,045 | 2,852 | 2,811 |
| \$200 or over | 15,000 | 14,692 | 14,663 | 14,398 | 14,194 |
| Total declaring income | 79,953 | 75,847 | 71,766 | 66,066 | 63,320 |
| Total working aged recipients | 354,240 | 342,933 | 334,173 | 309,360 | 290,466 |
| | Other recipients of an income-tested benefit ² | | | | |
| Total other clients not declaring income | 9,122 | 9,126 | 9,495 | 9,618 | 9,593 |
| Total other clients declaring income ³ | 652 | 683 | 1,002 | 1,143 | 1,330 |
| Total other clients | 9,774 | 9,809 | 10,497 | 10,761 | 10,923 |
| | All recipients of an income-tested benefit ² | | | | |
| Total recipients of income-tested benefits | 364,014 | 352,742 | 344,670 | 320,121 | 301,389 |

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 over part or all of the year ended June, and may also include income received over parts of earlier or later years.
- 2 Numbers of clients recorded in SWIFTT as receiving an income-tested benefit at the end of June.
- 3 Numbers of recipients of an income-tested benefit with one or more income declarations effective in the year ended June.

Since 2001, the proportions of working aged recipients of an income-tested benefit declaring other income who were receiving (see [Table 2.23](#)):

- a carer's benefit has increased (from 34% to 41%)
- an Invalid's Benefit has increased (from 17% to 26%)
- an unemployment-related benefit has decreased (from 31% to 16%) (which reflects decreases in the numbers of working aged recipients of an unemployment-related benefit).

table
2.23**Trends in the type of income-tested benefit received by working aged clients declaring other income**

| Type of income-tested benefit received when income declared ¹ | Working aged recipients of an income-tested benefit who declared other income ² | | | | |
|--|--|---------------|---------------|---------------|---------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| Unemployment-related benefits ³ | 24,561 | 21,977 | 19,074 | 13,889 | 10,189 |
| Carer's benefits ⁴ | 26,948 | 26,936 | 26,415 | 26,068 | 26,229 |
| Sickness-related benefits ⁵ | 5,057 | 5,204 | 5,558 | 6,117 | 6,551 |
| Invalid's Benefit | 13,749 | 14,504 | 15,189 | 15,592 | 16,389 |
| Widow's Benefit | 4,108 | 3,999 | 3,995 | 3,942 | 3,589 |
| Transitional Retirement Benefit ⁶ | 4,908 | 2,797 | 1,093 | 0 | 0 |
| Emergency Benefit | 622 | 430 | 442 | 458 | 373 |
| Total | 79,953 | 75,847 | 71,766 | 66,066 | 63,320 |

Notes

- 1 Type of income-tested benefit received at the time when the last income declaration effective in the year ended June was made.
- 2 Numbers of working aged recipients of an income-tested benefit with one or more income declarations effective in the years ended June. The income declarations referred to here may include income received over part or all of the year ended June, and may also include income received over parts of earlier or later years.
- 3 Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to people in training, and Independent Youth Benefits.
- 4 Includes Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.
- 5 Includes Sickness Benefits and Sickness Benefits – Hardship.
- 6 This benefit was abolished on 1 April 2004.

Section 3 Trends in use of pensions, income-tested benefits and employment services provided by Work and Income

Introduction

This section outlines trends in the use and uptake of financial assistance and employment services provided by Work and Income. It also provides information on the cancellation of income-tested benefits and of job seeker registrations.

Eligibility criteria are outlined for each pension and each income-tested benefit. Section 2 contains information about payment rates for pensions and income-tested benefits. Additional information about income tests, work tests and other case management processes that may be applicable to recipients of pensions and income-tested benefits is provided in Appendix 1. A definition of the officially unemployed, and a summary of how registered job seekers differ from the officially unemployed, is given in Appendix 2. Appendix 3 outlines SWIFTT and SOLO data showing the ages of clients receiving financial assistance or work services.

Unemployment-related benefits

This group of income-tested benefits comprises Unemployment Benefits, Unemployment Benefits – Hardship, and Independent Youth Benefits. Please note that the recipients of these benefits are not necessarily officially unemployed, and in particular that some are in approved full-time training.

Unemployment Benefits were known as a Community Wage – Job Seeker between 1 October 1998 and 30 June 2001, but reverted to their former name on 1 July 2001. Unemployment Benefits – Hardship were known as a Community Wage – Emergency Job Seeker between 1 October 1998 and 30 June 2001. An Unemployment Benefit paid to a person in training was known as a Training Benefit prior to 1 October 1998, and as a Community Wage – Training between 1 October 1998 and 30 June 2001.

Clients receiving an unemployment-related benefit are subject to a full-time work test, with most being registered as job seekers. Since 1 April 1997, the spouses or partners of clients receiving an unemployment-related benefit have also been subject to a full-time work test if:

- they have no dependent children, or
- their youngest dependent child is aged 14 years or over.

Between 1 April 1997 and 1 February 1999, the spouses or partners of clients who had received unemployment-related benefits for more than one year were required to attend an annual interview with a Work and Income case manager if their youngest dependent child was aged 7–13 years. This interview was aimed at planning their entry into paid work.

Since 1 February 1999, the spouses or partners of recipients of an unemployment-related benefit whose dependent children were aged under 14 years have been subject to:

- a part-time work test if their youngest dependent child was aged 6–13 years
- a requirement to attend an annual planning interview with a Work and Income case manager if their youngest dependent child was aged under six years (the aim of this interview is to plan their entry into paid work once their youngest dependent child is aged six years).

During the 2003/2004 financial year, work-tested clients had Government expectations about meeting the work test made clearer. Other work test requirements added during the 2003/2004 financial year included a requirement to:

- take drug tests if required to by a prospective employer (from 22 October 2003)
- commute to seek and undertake paid work if there is no such work available in their local area (from 8 March 2004).

Eligibility for unemployment-related benefits

Unemployment Benefit

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 also be:

- aged 18 years or over, or
- aged 16 or 17 years, and must be married or in a civil union and have dependent children.

Residency and income tests apply. People aged 60 years or over may apply for an exemption from work testing. Those granted such an exemption continue to receive an Unemployment Benefit and must continue to seek work. They may also choose to register or to remain registered as a job seeker, although they are not obliged to do so.

Work-test exemptions for clients aged 55–59 years applying for an Unemployment Benefit were removed from 8 December 2003. From January 2004, Unemployment Benefit recipients previously exempted from the work test through being aged 55–59 years had this exemption removed, unless they would have turned 60 years of age by 31 July 2004.

An Unemployment Benefit is also available to full-time trainees on approved training courses who are:

- aged 18 years or over, or
- aged 16 or 17 years, and are married or in a civil union and have dependent children.

Income and residency qualifications apply.

Unemployment Benefit – Hardship

An Unemployment Benefit – Hardship is available to people who do not meet all of the eligibility criteria for the Unemployment Benefit but who have not been successful in supporting themselves through paid employment or other means. Income and asset tests apply.

Full-time tertiary students who are unable to secure employment over the summer vacation may be eligible for an Unemployment Benefit – Hardship. To be eligible, students must meet income and asset tests and:

- 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.

Independent Youth Benefit

An 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, and are:

- actively looking for work
- a full-time trainee in an approved training course
- attending secondary school, or
- temporarily unable to work through sickness or injury.

Residency and income tests apply. From 1 January 1998, an 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. Since 1998, most young people receiving an Independent Youth Benefit have been young job seekers.

Trends in the number of clients receiving an unemployment-related benefit

Decreases since 2001 in the number of clients receiving an unemployment-related benefit (see [Table 3.1](#)) largely reflect:

- improved economic conditions
- changes in MSD policies and Work and Income operational practices, as outlined in Section 2.

Over this period, almost all recipients of unemployment-related benefits have been working aged clients (see [Table 3.1](#)). Most of the non-working aged recipients of unemployment-related benefits were aged under 18 years and receiving an Independent Youth Benefit.

Since 2001, the proportion of working aged recipients of unemployment-related benefits who:

- were aged 50–64 years has increased (from 21% to 27%) (see [Table 3.1](#))
- were aged 25–49 years has decreased (from 50% to 45%) (see [Table 3.1](#))
- were unemployed (rather than in training) has decreased (from 97% to 92%) (see [Table 3.2](#))
- had received their benefit for less than six months has increased (from 35% to 43%) (see [Table 3.3](#))
- had received their benefit for between two and four years has decreased (from 22% to 11%) (see [Table 3.3](#)).

table
3.1

Trends in the age of recipients of an unemployment-related benefit

| Age of client at the end of June | Working aged clients receiving an unemployment-related benefit ^{1,2} | | | | |
|----------------------------------|---|----------------|----------------|----------------|----------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| 18–19 years | 13,474 | 12,160 | 10,817 | 7,574 | 5,630 |
| 20–24 years | 24,791 | 22,136 | 19,058 | 12,695 | 9,651 |
| 25–29 years | 17,448 | 15,057 | 12,626 | 8,676 | 6,578 |
| 30–34 years | 14,543 | 12,784 | 10,747 | 7,284 | 5,367 |
| 35–39 years | 12,828 | 10,879 | 9,063 | 6,235 | 4,819 |
| 40–44 years | 11,392 | 10,054 | 8,546 | 5,821 | 4,312 |
| 45–49 years | 9,582 | 8,526 | 7,290 | 5,090 | 3,875 |
| 50–54 years | 8,740 | 7,633 | 6,452 | 4,510 | 3,347 |
| 55–59 years | 9,213 | 8,870 | 8,379 | 5,161 | 3,398 |
| 60–64 years | 9,416 | 10,454 | 10,889 | 10,526 | 8,365 |
| Total working aged clients | 131,427 | 118,553 | 103,867 | 73,572 | 55,342 |
| | Other clients receiving an unemployment-related benefit ^{1,2} | | | | |
| Total other clients | 3,700 | 3,569 | 3,602 | 3,193 | 2,497 |
| | All clients receiving an unemployment-related benefit ^{1,2} | | | | |
| Total all clients | 135,127 | 122,122 | 107,469 | 76,765 | 57,839 |

Notes

- 1 Unemployment-related benefits include Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people or to those in training, and Independent Youth Benefits.
- 2 Numbers of clients in age groups recorded in SWIFFT as receiving an unemployment-related benefit at the end of June.

table
3.2**Trends in unemployment-related benefits received by working aged clients**

| Benefit received by client group at the end of June | Working aged clients receiving an unemployment-related benefit ¹ | | | | |
|--|---|----------------|----------------|---------------|---------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| Unemployment Benefit paid to unemployed people | 124,126 | 111,312 | 96,692 | 67,016 | 49,589 |
| Unemployment Benefit paid to people in training | 3,656 | 3,863 | 4,077 | 4,217 | 4,123 |
| Unemployment Benefit – Hardship paid to unemployed people | 2,954 | 2,882 | 2,635 | 1,739 | 1,125 |
| Unemployment Benefit – Hardship paid to people in training | 102 | 123 | 208 | 252 | 241 |
| Unemployment Benefit – Hardship paid to students | 132 | 146 | 165 | 230 | 167 |
| Independent Youth Benefit | 457 | 227 | 90 | 118 | 97 |
| Total | 131,427 | 118,553 | 103,867 | 73,572 | 55,342 |

Note

1 Numbers of working aged clients recorded in SWIFFT as receiving an unemployment-related benefit at the end of June.

table
3.3**Trends in the length of current spells receiving an unemployment-related benefit, for working aged clients**

| Length of current spell to the end of June | Working aged clients receiving an unemployment-related benefit ^{1,2} | | | | |
|--|---|----------------|----------------|---------------|---------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| Under 6 months | 46,214 | 43,196 | 38,393 | 28,688 | 23,869 |
| 6 months – 2 years | 47,799 | 41,498 | 36,213 | 23,237 | 17,451 |
| 2–4 years | 28,641 | 23,748 | 14,330 | 10,048 | 6,243 |
| Over 4 years | 8,773 | 10,111 | 14,931 | 11,599 | 7,779 |
| Total | 131,427 | 118,553 | 103,867 | 73,572 | 55,342 |

Notes

1 Unemployment-related benefits include Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to people in training, and Independent Youth Benefits.

2 Numbers of working aged clients recorded in SWIFFT as receiving an unemployment-related benefit at the end of June.

Table 7.1 (see Section 7) shows trends since 1940 in the number of clients receiving an unemployment-related benefit other than an Independent Youth Benefit. This table also shows trends since 1991 in the number of people receiving an Independent Youth Benefit.

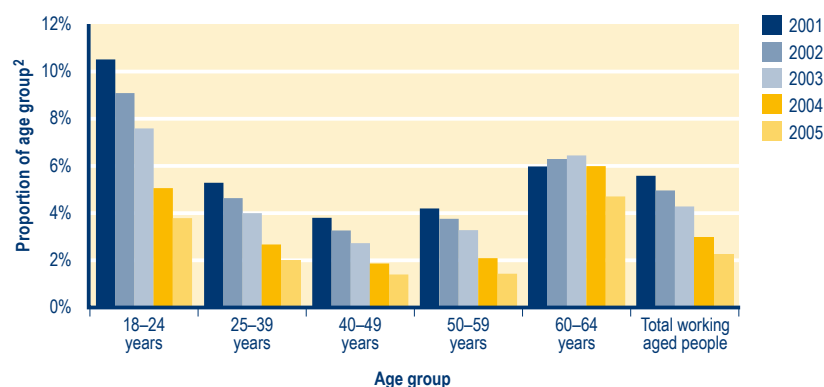
Trends in the proportion of working aged people receiving an unemployment-related benefit

The proportion of working aged people receiving an unemployment-related benefit has decreased since 2001 (see [Figure 3.1](#)). This reflects the economic, policy and operational factors outlined earlier.

Since 2001, the proportion of 18–24 year olds and of 60–64 year olds receiving an unemployment-related benefit was higher than for any other age group. This reflects in part the relative difficulty encountered by 18–24 year olds in making an initial transition into the labour market, and by 60–64 year olds in obtaining and retaining paid work.

figure
3.1

Trends in the proportion of working aged people receiving an unemployment-related benefit,¹ by age



Notes

- 1 Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to people in training, and Independent Youth Benefits.
- 2 Proportion shows:
 - a number in age group who are recorded in SWIFTT as receiving an unemployment-related benefit at the end of June, divided by
 - b Statistics New Zealand final estimate of the resident population in age group at the end of June.

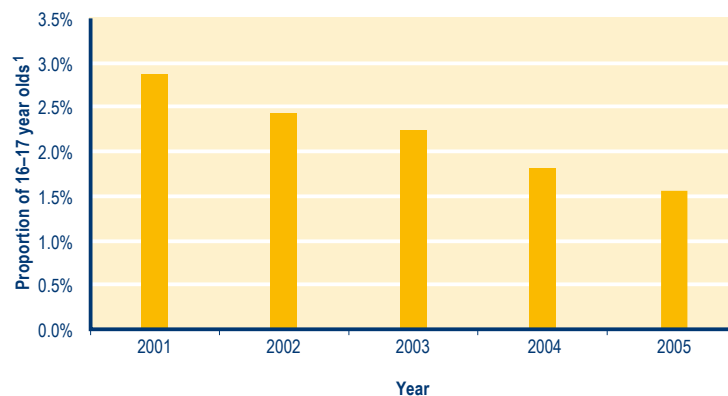
See [Table A3.4](#) (Appendix 3) for a summary of the SWIFTT data underlying [Figure 3.1](#).

Trends in the proportion of 16–17 year olds receiving an Independent Youth Benefit

Decreases since 2001 in the proportion of 16 and 17 year olds receiving an Independent Youth Benefit (see [Figure 3.2](#)) reflect the economic, policy and operational factors outlined earlier.

figure
3.2

Trends in the proportion of 16–17 year olds receiving an Independent Youth Benefit



Note

- 1 Proportion shows:
 - a number of 16 and 17 year olds recorded in SWIFTT as receiving an Independent Youth Benefit at the end of June, divided by
 - b Statistics New Zealand final estimate of the resident population of 16 and 17 year olds at the end of June.

See [Table A3.5](#) (Appendix 3) for a summary of the SWIFTT data underlying [Figure 3.2](#).

Trends in unemployment-related benefits granted

Decreases since 2000/2001 in the numbers of unemployment-related benefits granted each year (see [Table 3.4](#)) largely reflect improved economic conditions. Over this period, virtually all of the unemployment-related benefits granted each year were provided to working aged clients. Of the remainder, a large majority were Independent Youth Benefits granted to 16–17 year olds.

table
3.4

Overall trends in the number of unemployment-related benefits granted

| | Unemployment-related benefits granted ^{1,2} | | | | |
|----------------------|--|---------------------|---------------------|---------------------|---------------------|
| | 2000/2001 Number | 2001/2002 Number | 2002/2003 Number | 2003/2004 Number | 2004/2005 Number |
| Working aged clients | 190,311 | 178,866 | 161,841 | 134,572 | 115,508 |
| Other clients | 5,652 | 5,329 | 5,239 | 4,878 | 4,375 |
| Total | 195,963 | 184,195 | 167,080 | 139,450 | 119,883 |

Notes

- 1 Unemployment-related benefits include Unemployment Benefits and Unemployment Benefits – Hardship granted to unemployed people and to people in training, and Independent Youth Benefits.
- 2 Numbers of successful applications for unemployment-related benefits recorded in SWIFTT during years ended June.

Of the unemployment-related benefits granted to working aged clients in each year since 2000/2001:

- between 38% and 41% were provided to clients who had not received an income-tested benefit in the previous 12 months (see [Table 3.5](#))
- between 20% and 24% reflected transfers from another benefit or district (see [Table 3.5](#))
- between 79% and 81% were granted to unemployed people (see [Table 3.6](#)).

table
3.5

Trends in the length of period since working aged clients granted an unemployment-related benefit last received any income-tested benefit

| Period since client last received any income-tested benefit | Unemployment-related benefits granted to working aged clients ^{1,2} | | | | |
|---|--|---------------------|---------------------|---------------------|---------------------|
| | 2000/2001 Number | 2001/2002 Number | 2002/2003 Number | 2003/2004 Number | 2004/2005 Number |
| None (clients transferring between benefits or districts, or transferring from the same type of benefit) ^{3,4} | 39,466 | 35,991 | 31,679 | 30,030 | 27,451 |
| Under 6 months | 36,392 | 35,273 | 31,806 | 25,996 | 22,329 |
| 6–12 months | 37,127 | 35,025 | 31,709 | 26,201 | 22,462 |
| 12–18 months | 8,673 | 8,410 | 7,903 | 6,322 | 5,616 |
| 18 months – 2 years | 6,802 | 6,896 | 6,629 | 5,376 | 4,576 |
| 2–4 years | 12,369 | 11,645 | 10,745 | 8,985 | 7,406 |
| Had not received an income-tested benefit in previous 4 years | 49,482 | 45,626 | 41,370 | 31,662 | 25,668 |
| Total | 190,311 | 178,866 | 161,841 | 134,572 | 115,508 |

Notes

- 1 Unemployment-related benefits include Unemployment Benefits and Unemployment Benefits – Hardship granted to unemployed people and to people in training, and Independent Youth Benefits.
- 2 Numbers of successful applications for unemployment-related benefits by working aged clients recorded in SWIFTT during years ended June.
- 3 Includes only a minority of transfers of benefits between districts. Most transfers between districts are accomplished without cancelling and re-granting benefits.
- 4 Transfers from the same type of benefit may occur when clients receiving hardship assistance become eligible for statutory benefits (eg a transfer from an Unemployment Benefit – Hardship to an Unemployment Benefit), or may reflect a change in client circumstances (eg a client completing a training course may transfer from an Unemployment Benefit – Training to an Unemployment Benefit payable to an unemployed person).

table
3.6**Trends in unemployment-related benefits granted to working aged clients**

| Benefit granted and client group | Unemployment-related benefits granted to working aged clients ¹ | | | | |
|---|--|---------------------|---------------------|---------------------|---------------------|
| | 2000/2001 Number | 2001/2002 Number | 2002/2003 Number | 2003/2004 Number | 2004/2005 Number |
| Unemployment Benefit granted to unemployed people | 149,960 | 142,802 | 129,229 | 103,801 | 89,314 |
| Unemployment Benefit granted to people in training | 12,069 | 10,278 | 9,404 | 9,621 | 8,851 |
| Unemployment Benefit – Hardship granted to unemployed people | 2,974 | 2,606 | 2,384 | 1,793 | 1,476 |
| Unemployment Benefit – Hardship granted to people in training | 307 | 270 | 307 | 403 | 417 |
| Unemployment Benefit – Hardship granted to students | 24,999 | 22,904 | 20,514 | 18,954 | 15,450 |
| Independent Youth Benefit | 2 | 6 | 3 | 0 | 0 |
| Total | 190,311 | 178,866 | 161,841 | 134,572 | 115,508 |

Note

¹ Numbers of successful applications for unemployment-related benefits by working aged clients recorded in SWIFTT during years ended June.

Trends in cancellations of unemployment-related benefits

Decreases since 2000/2001 in the annual number of unemployment-related benefits cancelled (see [Table 3.7](#)) reflect decreases in the number of recipients of unemployment-related benefits. These decreases in turn reflect operational changes, policy changes and improved economic conditions. Since 2000/2001, virtually all cancellations of unemployment-related benefits each year were by working aged clients. Of the remainder, a large majority were by 16–17 year olds cancelling Independent Youth Benefits (see [Table 3.7](#)).

table
3.7**Overall trends in the number of cancellations of unemployment-related benefits**

| | Unemployment-related benefits cancelled ^{1,2} | | | | |
|----------------------|--|---------------------|---------------------|---------------------|---------------------|
| | 2000/2001 Number | 2001/2002 Number | 2002/2003 Number | 2003/2004 Number | 2004/2005 Number |
| Working aged clients | 208,135 | 195,221 | 180,279 | 167,674 | 137,069 |
| Other clients | 2,860 | 3,102 | 3,912 | 4,962 | 5,450 |
| Total | 210,995 | 198,323 | 184,191 | 172,636 | 142,519 |

Notes

¹ Unemployment-related benefits include Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to those in training, and Independent Youth Benefits.

² Numbers of cancellations of unemployment-related benefits recorded in SWIFTT during years ended June.

Of the cancellations of unemployment-related benefits by working aged clients each year since 2000/2001:

- between 43% and 45% reflected entries into paid work (see [Table 3.8](#))
- between 20% and 22% reflected transfers to another benefit, pension or district (see [Table 3.8](#))
- about 81% involved Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people (see [Table 3.9](#)).

table
3.8**Trends in the reason for working aged clients cancelling unemployment-related benefits**

| Reason for cancellation | Unemployment-related benefits cancelled by working aged clients ^{1,2} | | | | |
|--|--|---------------------|---------------------|---------------------|---------------------|
| | 2000/2001 Number | 2001/2002 Number | 2002/2003 Number | 2003/2004 Number | 2004/2005 Number |
| Obtained paid work ³ | 88,672 | 85,197 | 77,797 | 71,893 | 61,611 |
| Transferred to another benefit, pension or district ^{4,5} | 41,860 | 39,079 | 36,451 | 36,015 | 29,362 |
| Qualified for New Zealand Superannuation ⁴ | 16 | 40 | 85 | 254 | 577 |
| Other ³ | 77,587 | 70,905 | 65,946 | 59,512 | 45,519 |
| Total | 208,135 | 195,221 | 180,279 | 167,674 | 137,069 |

Notes

- 1 Unemployment-related benefits include Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to those in training, and Independent Youth Benefits.
- 2 Numbers of cancellations of unemployment-related benefits by working aged clients recorded in SWIFTT during years ended June.
- 3 Due to recoding of reasons for cancelling income-tested benefits, these figures may not reconcile with those published in previous years.
- 4 “Transferred to another benefit [or] pension” includes some transfers from income-tested benefits to New Zealand Superannuation. These are additional to the number shown above as “Qualified for New Zealand Superannuation”.
- 5 “Transferred to another ... district” represents cancellations made so a client’s benefit can be administered from a different Work and Income service centre. These changes may reflect a change of address by the client or an administrative decision by Work and Income. A majority of transfers of benefits between districts are completed without cancelling the client’s benefit, and therefore are not included above.

table
3.9**Trends in unemployment-related benefits cancelled by working aged clients**

| Benefit cancelled and client group | Unemployment-related benefits cancelled by working aged clients ¹ | | | | |
|--|--|---------------------|---------------------|---------------------|---------------------|
| | 2000/2001 Number | 2001/2002 Number | 2002/2003 Number | 2003/2004 Number | 2004/2005 Number |
| Unemployment Benefit paid to unemployed people | 165,049 | 155,981 | 145,671 | 135,334 | 109,333 |
| Unemployment Benefit paid to people in training | 12,133 | 10,522 | 9,250 | 9,488 | 9,027 |
| Unemployment Benefit – Hardship paid to unemployed people | 2,930 | 2,668 | 2,681 | 2,642 | 2,108 |
| Unemployment Benefit – Hardship paid to people in training | 318 | 265 | 227 | 335 | 403 |
| Unemployment Benefit – Hardship paid to students | 25,093 | 23,058 | 20,642 | 18,956 | 15,387 |
| Independent Youth Benefit | 2,612 | 2,727 | 1,808 | 919 | 811 |
| Total | 208,135 | 195,221 | 180,279 | 167,674 | 137,069 |

Note

- 1 Numbers of cancellations of unemployment-related benefits by working aged clients recorded in SWIFTT during years ended June.

Trends in expenditure on unemployment-related benefits and Emergency Benefitsⁱ

Annual expenditure on unemployment-related benefits and Emergency Benefits has shown a cyclical pattern since 1991/1992 (see [Table 3.10](#)) which reflects changes in economic conditions. Decreased expenditure over the last five years (see [Table 3.10](#)) reflects more favourable economic conditions and a consequent decrease in unemployment.

table
3.10

Trends in annual expenditure on unemployment-related benefits and Emergency Benefits¹

| Year ended 30 June | Expenditure on unemployment-related benefits and Emergency Benefits ^{2,3,4} (\$m) |
|-----------------------|--|
| 1991/1992 | 1,491 |
| 1992/1993 | 1,594 |
| 1993/1994 | 1,581 |
| 1994/1995 | 1,462 |
| 1995/1996 | 1,430 |
| 1996/1997 | 1,517 |
| 1997/1998 | 1,652 |
| 1998/1999 | 1,766 |
| 1999/2000 | 1,766 |
| 2000/2001 | 1,662 |
| 2001/2002 | 1,544 |
| 2002/2003 | 1,408 |
| 2003/2004 | 1,228 |
| 2004/2005 | 960 |

Notes

- 1 Unemployment-related benefits include Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to people in training, and Independent Youth Benefits. Emergency Benefit includes Emergency Benefits paid to unemployed people or trainees since 1 October 1998, and Emergency Unemployment Benefits paid prior to 1 October 1998.
- 2 Expenditure on unemployment-related benefits or Emergency Benefits in years ended June, including expenditure on supplementary benefits provided to recipients of an unemployment-related benefit or an 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 table differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

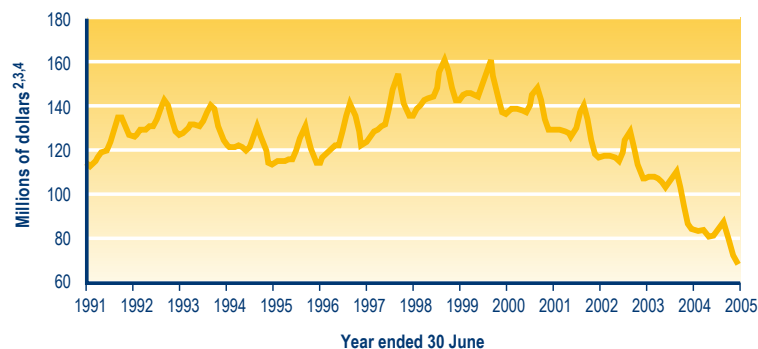
Monthly expenditure on unemployment-related benefits shows strong seasonal increases over the summer months and weaker seasonal increases during winter (see [Figure 3.3](#)). These seasonal patterns reflect seasonal increases in demand for these benefits from:

- tertiary students registered as job seekers over the summer vacation
- workers with seasonal jobs (particularly in the agricultural/horticultural and primary processing sectors) who face a lack of work in the off season.

ⁱ To maintain a consistent expenditure series since 1991/1992, Table 3.10 and Figure 3.3 include expenditure on Emergency Unemployment Benefits that were available until 1 October 1998 and expenditure on Emergency Benefits paid thereafter.

figure
3.3

Trends in monthly expenditure on unemployment-related benefits and Emergency Benefits¹



Notes

- 1 Unemployment-related benefits include Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people or to trainees, and Independent Youth Benefits. Emergency Benefit includes Emergency Benefits paid to unemployed people or trainees since 1 October 1998, and Emergency Unemployment Benefits paid prior to 1 October 1998.
- 2 Monthly expenditure on unemployment-related benefits and Emergency Benefits, and on supplementary benefits paid to recipients of unemployment-related benefits or Emergency 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 graph differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

Table 7.2 (see Section 7) shows trends since 1940 in expenditure on unemployment-related benefits and Emergency Benefits, including expenditure on supplementary benefits paid to people receiving an unemployment-related benefit or an Emergency Benefit. Please note that expenditure data from 1996 shown in **Table 7.2** reflects deductions for:

- debts established
- clients receiving these benefits as well as an overseas pension.

The data in **Table 3.10** and **Figure 3.3** does not reflect the above deductions.

Carer's benefits

This group of income-tested benefits includes Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances. An Emergency Maintenance Allowance is an emergency benefit paid to carers who do not meet the eligibility criteria for a Domestic Purposes Benefit – Sole Parents but who are alone, caring for children and unable to support themselves without financial assistance.

Eligibility for carer's benefits

Domestic Purposes Benefits

From 1 April 1997 until 10 March 2003, clients receiving a Domestic Purposes Benefit – Women Alone were subject to a part-time work test.

From 1 April 1997 until 31 January 1999, clients receiving a Domestic Purposes Benefit – Sole Parents were subject to a part-time work test if their youngest dependent child was aged 14 years or over.

From 1 February 1999 until 10 March 2003, clients receiving a Domestic Purposes Benefit – Sole Parents were subject to:

- a full-time work test if their youngest dependent child was aged 14 years or over
- a part-time work test if their youngest dependent child was aged 6–13 years
- a requirement to attend an annual interview with a Work and Income case manager if their youngest dependent child was aged under six years (the purpose of this interview was to plan how the client would enter paid work once their youngest dependent child had reached six years of age).

Since the removal of work-test obligations on 10 March 2003, clients receiving a Domestic Purposes Benefit – Sole Parents or a Domestic Purposes Benefit – Women Alone have been obliged to meet the requirements of the Personal Development and Employment Plan process if required to by their case manager. This process involves developing and implementing a plan that is aimed at assisting clients in moving toward employment, and therefore toward economic and social participation in society.

Domestic Purposes Benefit – Sole Parents

A Domestic Purposes Benefit – Sole Parents is available to a single person who is:

- the parent of a dependent child aged under 18 years who lives with them
- not living with the other parent or another partner.

To be eligible for a Domestic Purposes Benefit – Sole Parents, clients must:

- be aged 18 years or over, or aged 16 or 17 years and have been legally married
- meet residency and income qualifications.

Applicants for a Domestic Purpose Benefit – Sole Parents 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.

Child Support paid by the liable parent, up to the level of the Domestic Purposes Benefit – Sole Parents, 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

A Domestic Purposes Benefit – Care of Sick or Infirm is available to people who are:

- aged over 16 years
- caring on a full-time basis for someone (other than a partner) who would otherwise be receiving hospital care.

Residency and income qualifications must also be met.

Domestic Purposes Benefit – Women Alone

A Domestic Purposes Benefit – Women Alone is available to unsupported women without dependent children who become alone or lose 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 qualifications must also be met.

Emergency Maintenance Allowance

An Emergency Maintenance Allowance is available to people who do not meet the eligibility criteria for a Domestic Purposes Benefit – Sole Parents but who are alone, caring for children and unable to support themselves without financial assistance. 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. Most clients receiving an Emergency Maintenance Allowance are aged 16–17 years.

Trends in the number of clients receiving a carer's benefit

The number of clients receiving a carer's benefit has decreased between 2004 and 2005, after increasing for the previous four years. Of the carer's benefit recipients each year since 2001, virtually all were working aged people (see [Table 3.11](#)).

table
3.11

Overall trends in the number of carer's benefits received

| | Clients receiving a carer's benefit ^{1,2} | | | | |
|----------------------|--|----------------|----------------|----------------|----------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| Working aged clients | 107,235 | 107,414 | 108,690 | 108,893 | 105,647 |
| Other clients | 586 | 595 | 605 | 633 | 683 |
| Total | 107,821 | 108,009 | 109,295 | 109,526 | 106,330 |

Notes

- 1 Carer's benefits include Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.
- 2 Numbers of clients recorded in SWIFTT as receiving carer's benefits at the end of June.

Of the carer's benefits received by working aged clients since 2001, almost all were Domestic Purposes Benefits – Sole Parents. The decrease between 2004 and 2005 in the number of working aged carer's benefit recipients (see [Table 3.11](#)) reflects a decrease in numbers of working aged clients receiving a Domestic Purposes Benefit – Sole Parents (see [Table 3.12](#)).

table
3.12

Trends in carer's benefits received by working aged clients

| Carer's benefits received at the end of June | Working aged clients receiving a carer's benefit ¹ | | | | |
|---|---|----------------|----------------|----------------|----------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| Domestic Purposes Benefit – Sole Parents | 100,646 | 100,652 | 101,610 | 101,579 | 97,882 |
| Domestic Purposes Benefit – Care of Sick or Infirm | 2,697 | 2,912 | 3,223 | 3,538 | 3,775 |
| Domestic Purposes Benefit – Women Alone | 2,790 | 2,858 | 2,951 | 3,031 | 3,043 |
| Emergency Maintenance Allowance | 1,102 | 992 | 906 | 745 | 947 |
| Total | 107,235 | 107,414 | 108,690 | 108,893 | 105,647 |

Note

- 1 Numbers of working aged clients recorded in SWIFTT as receiving a carer's benefit at the end of June.

Of the working aged recipients of Domestic Purposes Benefits – Sole Parents or Emergency Maintenance Allowances each year since 2001 (see [Table 3.13](#)):

- around 47% were caring for at least one dependent child aged under five years
- between 91% and 93% were caring for at least one dependent child aged under 14 years (by law, children aged under 14 years require supervision at all times).

table
3.13

Trends in the age of the youngest child dependent on working aged recipients of Domestic Purposes Benefits – Sole Parents or Emergency Maintenance Allowances

| Age of youngest dependent child at the end of June | Working aged clients receiving a Domestic Purposes Benefit – Sole Parents or an Emergency Maintenance Allowance ¹ | | | | |
|--|--|----------------|----------------|----------------|---------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| 0–4 years | 49,254 | 48,878 | 48,545 | 48,336 | 46,362 |
| 5–9 years | 30,217 | 29,854 | 29,973 | 29,218 | 28,041 |
| 10–13 years | 15,097 | 15,611 | 15,878 | 15,870 | 15,248 |
| 14–17 years | 6,946 | 7,072 | 7,847 | 8,606 | 8,902 |
| 18–19 years | 155 | 162 | 164 | 218 | 195 |
| 20 years or over | 0 | 0 | 0 | 0 | 0 |
| Not caring for children ² | 79 | 67 | 109 | 76 | 81 |
| Total | 101,748 | 101,644 | 102,516 | 102,324 | 98,829 |

Notes

- Numbers of working aged clients recorded in SWIFTT as receiving a Domestic Purposes Benefit – Sole Parents or an Emergency Maintenance Allowance at the end of June.
- Clients may continue to receive a Domestic Purposes Benefit – Sole Parents 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 Parents or an Emergency Maintenance Allowance at a reduced rate while the custody and care circumstances of the children involved are clarified.

Table 7.1 (see Section 7) shows trends since 1973 in the number of clients receiving carer's benefits.

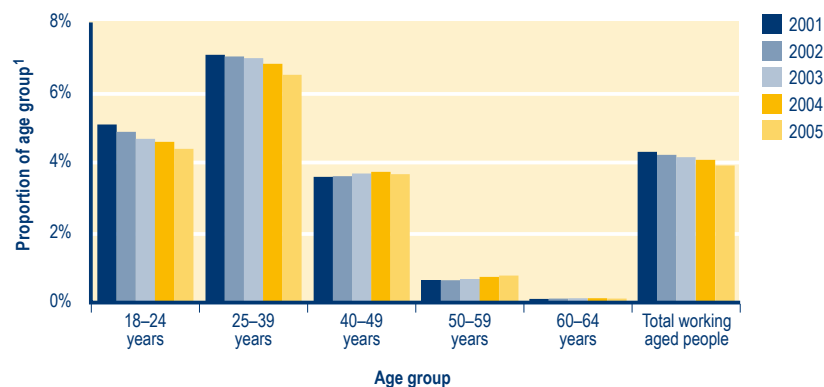
Trends in the proportion of working aged people receiving a carer's benefit

Since 2001, around 4% of working aged people have received a Domestic Purposes Benefit – Sole Parents or an Emergency Maintenance Allowance (see **Figure 3.4**). Throughout this period, 25–39 year olds and 18–24 year olds have been more likely than older working aged people to be receiving a Domestic Purposes Benefit – Sole Parents or an Emergency Maintenance Allowance (see **Figure 3.4**). This reflects patterns in the ages of women having children and in the ages of people when relationship breakdown occurs.

Slight decreases since 2001 in the proportion of 18–39 year olds receiving a Domestic Purposes Benefit – Sole Parents or an Emergency Maintenance Allowance have not been reflected among people aged 40 years or over.

figure
3.4

Trends in the proportion of working aged people receiving a Domestic Purposes Benefit – Sole Parents or an Emergency Maintenance Allowance, by age



Note

- Proportion shows:
 - number of people in age group recorded in SWIFTT as receiving a Domestic Purposes Benefit – Sole Parents 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 A3.6](#) (Appendix 3) for a summary of the SWIFTT data underlying [Figure 3.4](#).

Since 2001, very small numbers (under 0.2%) of working aged people have received a Domestic Purposes Benefit – Care of Sick or Infirm, and a similar proportion have received a Domestic Purposes Benefit – Women Alone.

Trends in carer's benefits granted

Since 2000/2001, the number of carer's benefits granted each year has fluctuated around a downward trend (see [Table 3.14](#)). Of the carer's benefits granted each year over this period, virtually all were provided to working aged clients (see [Table 3.14](#)).

table
3.14

Overall trends in the number of carer's benefits granted

| | Carer's benefits granted ^{1,2} | | | | |
|----------------------|---|---------------------|---------------------|---------------------|---------------------|
| | 2000/2001 Number | 2001/2002 Number | 2002/2003 Number | 2003/2004 Number | 2004/2005 Number |
| Working aged clients | 38,101 | 36,692 | 36,782 | 36,604 | 35,304 |
| Other clients | 820 | 792 | 843 | 842 | 894 |
| Total | 38,921 | 37,484 | 37,625 | 37,446 | 36,198 |

Notes

- 1 Carer's benefits include Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.
- 2 Number of successful applications for carer's benefits recorded in SWIFTT during years ended June.

Of the carer's benefits granted to working aged clients each year since 2000/2001 (see [Table 3.15](#)):

- between 39% and 42% were provided to clients who have not received an income-tested benefit in the previous 12 months
- between 29% and 32% reflected transfers from another benefit or district.

table
3.15

Trends in the length of periods since working aged clients granted carer's benefits last received any income-tested benefit

| Period since client last received any income-tested benefit | Carer's benefits granted to working aged clients ^{1,2} | | | | |
|---|---|---------------------|---------------------|---------------------|---------------------|
| | 2000/2001 Number | 2001/2002 Number | 2002/2003 Number | 2003/2004 Number | 2004/2005 Number |
| None (clients transferring between benefits or districts, or transferring from the same type of benefit) ^{3,4} | 12,277 | 11,761 | 11,146 | 10,954 | 10,217 |
| Under 6 months | 6,908 | 6,805 | 6,793 | 6,705 | 6,746 |
| 6–12 months | 3,762 | 3,687 | 3,760 | 3,617 | 3,623 |
| 12–18 months | 2,049 | 2,038 | 2,164 | 2,115 | 2,008 |
| 18 months – 2 years | 1,563 | 1,468 | 1,504 | 1,565 | 1,433 |
| 2–4 years | 3,266 | 3,169 | 3,283 | 3,434 | 3,295 |
| Had not received an income-tested benefit in previous four years | 8,276 | 7,764 | 8,132 | 8,214 | 7,982 |
| Total | 38,101 | 36,692 | 36,782 | 36,604 | 35,304 |

Notes

- 1 Carer's benefits include Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.
- 2 Number of successful applications for carer's benefits by working aged clients recorded in SWIFTT during years ended June.
- 3 Includes only a minority of transfers of benefits between districts. Most transfers between districts are accomplished without cancelling and re-granting benefits.
- 4 Transfers from the same type of benefit may occur when clients receiving hardship assistance become eligible for statutory benefits (eg a transfer from an Emergency Maintenance Allowance to a Domestic Purposes Benefit – Sole Parents), or may reflect a change in client circumstances (eg a client whose dependent children have grown up and left home may transfer from a Domestic Purposes Benefit – Sole Parents to a Domestic Purposes Benefit – Women Alone).

The number of Domestic Purposes Benefits – Sole Parents and Emergency Maintenance Allowances granted to working aged clients each year has decreased slightly since 2000/2001 (see [Table 3.16](#)). Of these benefits granted (see [Table 3.16](#)):

- between 60% and 62% were provided to clients whose youngest dependent child was aged under five years
- around 35% were provided to clients whose youngest dependent child was aged 5–14 years.

**table
3.16**

Trends in the age of the youngest child dependent on working aged clients who were granted a Domestic Purposes Benefit – Sole Parents or an Emergency Maintenance Allowance

| Age of youngest dependent child when benefit granted | Domestic Purposes Benefits – Sole Parents and Emergency Maintenance Allowances granted to working aged clients ¹ | | | | |
|--|---|---------------------|---------------------|---------------------|---------------------|
| | 2000/2001 Number | 2001/2002 Number | 2002/2003 Number | 2003/2004 Number | 2004/2005 Number |
| 0–4 years | 22,042 | 20,717 | 20,513 | 20,192 | 19,158 |
| 5–9 years | 7,971 | 7,434 | 7,320 | 6,956 | 6,637 |
| 10–14 years | 4,461 | 4,691 | 4,758 | 4,806 | 4,595 |
| 15–17 years | 1,142 | 1,134 | 1,321 | 1,385 | 1,446 |
| 18–19 years | 21 | 15 | 15 | 13 | 17 |
| 20 years or over | 0 | 0 | 2 | 1 | 0 |
| Unspecified | 1 | 0 | 0 | 0 | 0 |
| Not applicable (no child linked to the benefit) ² | 79 | 72 | 57 | 64 | 61 |
| Total | 35,717 | 34,063 | 33,986 | 33,417 | 31,914 |

Notes

- 1 Numbers of successful applications for Domestic Purposes Benefit – Sole Parents or Emergency Maintenance Allowances from working aged clients 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 carer's benefits

The annual number of carer's benefits cancelled has increased over the last two years, after decreasing between 2000/2001 and 2002/2003 (see [Table 3.17](#)). Since 2000/2001, virtually all of the carer's benefit cancellations each year have been by working aged clients (see [Table 3.17](#)).

**table
3.17**

Overall trends in the number of carer's benefits cancelled

| | Carer's benefits cancelled ^{1,2} | | | | |
|----------------------|---|---------------------|---------------------|---------------------|---------------------|
| | 2000/2001 Number | 2001/2002 Number | 2002/2003 Number | 2003/2004 Number | 2004/2005 Number |
| Working aged clients | 39,189 | 37,646 | 36,690 | 37,627 | 38,960 |
| Other clients | 224 | 190 | 239 | 242 | 304 |
| Total | 39,413 | 37,836 | 36,929 | 37,869 | 39,264 |

Notes

- 1 Carer's benefits include Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.
- 2 Numbers of cancellations by working aged clients of carer's benefits recorded in SWIFTT during years ended June.

Of the carer's benefit cancellations by working aged clients in each year over this period (see [Table 3.18](#)):

- around 48% were for reasons other than clients entering paid work or transferring to another benefit, pension or district
- an increasing proportion reflected clients entering paid work (35% in 2004/2005, compared with 28% in 2000/2001).

The most common "Other" reason for carer's benefit cancellations was clients entering another relationship.

table
3.18

Trends in the reason for cancellation of carer's benefits by working aged clients

| Reason for cancellation | Carer's benefits cancelled by working aged clients ^{1,2} | | | | |
|--|---|---------------------|---------------------|---------------------|---------------------|
| | 2000/2001 Number | 2001/2002 Number | 2002/2003 Number | 2003/2004 Number | 2004/2005 Number |
| Obtained paid work ³ | 11,072 | 11,055 | 11,279 | 12,012 | 13,622 |
| Transferred to another benefit, pension or district ^{4,5} | 8,925 | 8,364 | 7,548 | 7,112 | 6,381 |
| Qualified for New Zealand Superannuation ⁴ | 2 | 10 | 13 | 39 | 96 |
| Other ³ | 19,190 | 18,217 | 17,850 | 18,464 | 18,861 |
| Total | 39,189 | 37,646 | 36,690 | 37,627 | 38,960 |

Notes

- 1 Carer's benefits include Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.
- 2 Numbers of carer's benefit cancellations by working aged clients recorded in SWIFTT during years ended June.
- 3 Due to recoding of reasons for cancelling income-tested benefits, these figures may not reconcile with those published in previous years.
- 4 "Transferred to another benefit [or] pension" includes some transfers from income-tested benefits to New Zealand Superannuation. These are additional to the number shown above as "Qualified for New Zealand Superannuation".
- 5 "Transferred to another ... district" represents cancellations undertaken so a client's benefit can be administered from a different Work and Income service centre. These changes may reflect a change of address by the client or an administrative decision by Work and Income. A majority of transfers of benefits between districts are completed without cancelling the client's benefit, and therefore are not included above.

Trends in expenditure on carer's benefits

Fluctuations between 1997/1998 and 2000/2001 in annual expenditure on carer's benefits (see [Table 3.19](#)) reflect a combination of fluctuations in the numbers of clients receiving a carer's benefit and adjustments in the levels of assistance paid. Since 2000/2001, the impact of increased levels of supplementary benefits paid to clients receiving carer's benefits has outweighed that of fluctuations in the number of clients receiving carer's benefits.

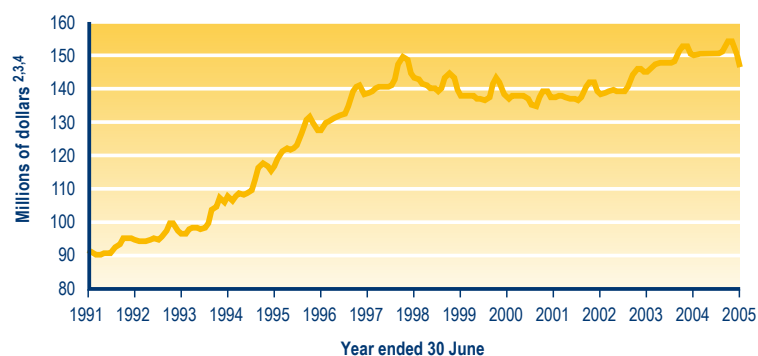
table
3.19Trends in annual expenditure on carer's benefits¹

| Year ended 30 June | Expenditure on carer's benefits ^{2,3,4} (\$m) |
|--------------------|--|
| 1991/1992 | 1,104 |
| 1992/1993 | 1,147 |
| 1993/1994 | 1,208 |
| 1994/1995 | 1,337 |
| 1995/1996 | 1,493 |
| 1996/1997 | 1,608 |
| 1997/1998 | 1,706 |
| 1998/1999 | 1,682 |
| 1999/2000 | 1,652 |
| 2000/2001 | 1,637 |
| 2001/2002 | 1,650 |
| 2002/2003 | 1,690 |
| 2003/2004 | 1,777 |
| 2004/2005 | 1,799 |

Notes

- 1 Carer's benefits include Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.
- 2 Expenditure on carer's benefits in years ended June, including expenditure on supplementary benefits provided to recipients of a carer's 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.

Monthly expenditure on carer's benefits shows a small seasonal peak in the latter part of each fiscal year (see [Figure 3.5](#)). These peaks reflect the Training Incentive Allowance payments and benefit advances made at the start of the school/academic year to carer's benefit recipients who have children attending school or who are themselves undertaking approved training. The decrease in 2004/2005 from this seasonal peak reflects in part the shift of the child component of carer's benefits into Family Support from 1 April 2005.

figure
3.5Trends in monthly expenditure on carer's benefits¹

Notes

- 1 Carer's benefits include Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.
- 2 Monthly expenditure on carer's benefits and on supplementary benefits paid to recipients of a carer's 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.

Table 7.2 (see Section 7) shows trends since 1973 in expenditure on carer's benefits, including expenditure on supplementary benefits paid to people receiving a carer's benefit. Please note that, from 1996, the expenditure data on carer's benefits shown in **Table 7.2** reflects deductions for:

- debts established
- clients receiving these benefits as well as an overseas pension.

The data in **Table 3.19** and **Figure 3.5** does not reflect these deductions.

Sickness-related benefits

Income-tested benefits in this group consist of Sickness Benefits and Sickness Benefits – Hardship.

A Sickness Benefit was known as a Community Wage – Sickness between 1 October 1998 and 30 June 2001, before reverting to its former name on 1 July 2001. A Sickness Benefit – Hardship was known as an Emergency Sickness Benefit prior to 1 October 1998, and as a Community Wage – Emergency Sickness between 1 October 1998 and 30 June 2001.

From 1 October 1998, the spouses or partners of clients receiving a Sickness Benefit have been subject to:

- a full-time work test if the couple have no dependent children, or if their youngest dependent child is aged 14 years or over
- a part-time work test if the couple's youngest dependent child is aged 6–13 years
- a requirement to attend a yearly planning meeting with a Work and Income case manager if the couple's youngest dependent child is aged under six years (the aim of this interview is to plan their entry into paid work once their youngest dependent child is aged six years).

During the 2003/2004 financial year, work-tested clients had Government expectations about meeting the work test made clearer. Other work-test requirements added during the 2003/2004 financial year included a requirement to:

- take drug tests if required to by a prospective employer (from 22 October 2003)
- commute to seek and undertake paid work if there is no such work available in their local area (from 8 March 2004).

From 1 July 1998, the payment rate for a new Sickness Benefit was aligned with the (lower) rate for an Unemployment Benefit. People receiving a Sickness Benefit since before 1 July 1998 continued to receive the old (higher) rate for their Sickness Benefit that was paid immediately prior to 1 July 1998. By 1 April 2005, no-one was still receiving a Sickness Benefit paid at pre-July 1998 levels, due to the combined effect of cumulative CPI adjustments and the ageing of clients receiving Sickness Benefits.

Types of sickness-related benefit

Sickness Benefit

From 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 due to illness or injury, or
- in employment but losing earnings through illness or injury.

To receive a Sickness Benefit, clients must be:

- aged 18 years or over, or
- aged 16 years or over, and be married or in a civil union, and have a dependent child.

Income and residency tests apply.

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.

Sickness Benefit – Hardship

People who do not meet the eligibility criteria for a Sickness Benefit but who are suffering hardship because of illness or injury may be granted a Sickness Benefit – Hardship. Women aged 16 or 17 years who are unable to support themselves because of pregnancy may also be eligible for a Sickness Benefit – Hardship. Income and asset tests apply.

Applicants prior to 1 October 1998 who did not meet all eligibility requirements may have been granted an Emergency Benefit because of hardship. An income and asset test applied to this benefit.

From January 2004, clients receiving a sickness-related benefit have been able to access pilot programmes aimed at helping clients to:

- set goals for their future
- develop individual plans addressing their needs, strengths, barriers and key issues.

Trends in the number of clients receiving a sickness-related benefit

The number of people receiving a sickness-related benefit has increased since 2001 (see [Table 3.20](#)). Of the sickness-related benefit recipients each year since 2001, virtually all have been working aged clients (see [Table 3.20](#)).

Of the working aged clients receiving sickness-related benefits over this period:

- between 53% and 57% were aged 25–49 years, while between 31% and 35% were aged 50–64 years (see [Table 3.20](#))
- virtually all were receiving a Sickness Benefit (see [Table 3.21](#))
- around 39% had systemic disorders, while between 31% and 35% had a psychological or psychiatric condition (see [Table 3.22](#))
- between 64% and 69% had received their current benefit for less than two years (see [Table 3.23](#)).

table
3.20

Trends in the age of clients receiving a sickness-related benefit

| Age of client at the end of June | Working aged clients receiving a sickness-related benefit ^{1,2} | | | | |
|----------------------------------|--|----------------|----------------|----------------|----------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| 18–19 years | 1,097 | 1,188 | 1,404 | 1,454 | 1,570 |
| 20–24 years | 3,020 | 3,300 | 3,902 | 4,032 | 4,135 |
| 25–29 years | 3,241 | 3,402 | 3,671 | 4,009 | 3,860 |
| 30–34 years | 3,569 | 3,874 | 4,170 | 4,540 | 4,451 |
| 35–39 years | 3,770 | 4,210 | 4,431 | 4,652 | 4,883 |
| 40–44 years | 3,950 | 4,391 | 4,878 | 5,284 | 5,327 |
| 45–49 years | 4,239 | 4,480 | 4,989 | 5,249 | 5,362 |
| 50–54 years | 4,547 | 4,815 | 5,050 | 5,552 | 5,583 |
| 55–59 years | 3,677 | 3,888 | 4,233 | 5,683 | 6,099 |
| 60–64 years | 2,217 | 2,476 | 2,762 | 3,243 | 3,906 |
| Total working aged clients | 33,327 | 36,024 | 39,490 | 43,698 | 45,176 |
| | Other clients receiving a sickness-related benefit ^{1,2} | | | | |
| Total other clients | 293 | 356 | 412 | 430 | 470 |
| | All clients receiving a sickness-related benefit ^{1,2} | | | | |
| Total all clients | 33,620 | 36,380 | 39,902 | 44,128 | 45,646 |

Notes

1 Sickness-related benefits include Sickness Benefits and Sickness Benefits – Hardship.

2 Numbers of clients recorded in SWIFTT as receiving a sickness-related benefit at the end of June.

table
3.21**Trends in sickness-related benefits received by working aged clients**

| Sickness-related benefit received at the end of June | Working aged clients receiving a sickness-related benefit ¹ | | | | |
|--|--|---------------|---------------|---------------|---------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| Sickness Benefit | 32,350 | 35,089 | 38,573 | 42,651 | 44,416 |
| Sickness Benefit – Hardship | 977 | 935 | 917 | 1,047 | 760 |
| Total | 33,327 | 36,024 | 39,490 | 43,698 | 45,176 |

Note

1 Numbers of working aged clients recorded in SWIFTT as receiving a sickness-related benefit at the end of June.

table
3.22**Trends in the incapacity of working aged clients receiving a sickness-related benefit**

| Client incapacity at the end of June | Working aged clients receiving a sickness-related benefit ^{1,2} | | | | |
|---|--|---------------|---------------|---------------|---------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| Accident, trauma, entry of foreign bodies | 4,910 | 5,084 | 5,284 | 5,681 | 5,348 |
| Disease (circulatory system diseases, infectious or parasitic diseases) | 247 | 245 | 253 | 270 | 316 |
| Cancer | 614 | 669 | 689 | 754 | 857 |
| Congenital conditions | 120 | 128 | 135 | 137 | 134 |
| Intellectual disability | 192 | 170 | 174 | 211 | 204 |
| Pregnancy related | 1,396 | 1,296 | 1,354 | 1,474 | 1,304 |
| Psychological or psychiatric conditions | 10,379 | 11,881 | 13,686 | 15,138 | 15,784 |
| Sensory disorders | 302 | 319 | 385 | 432 | 476 |
| Substance abuse | 2,002 | 2,128 | 2,306 | 2,410 | 2,473 |
| Systemic disorders ³ | 13,124 | 14,083 | 15,193 | 17,164 | 18,249 |
| Unspecified/ill-defined conditions ⁴ | 41 | 21 | 31 | 27 | 31 |
| Total | 33,327 | 36,024 | 39,490 | 43,698 | 45,176 |

Notes

1 Sickness-related benefits include Sickness Benefits and Sickness Benefits – Hardship.

2 Numbers of working aged clients recorded in SWIFTT as receiving a sickness-related benefit at the end of June.

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

4 Includes uncoded incapacities and ill-defined conditions.

table
3.23**Trends in the length of current spells receiving a sickness-related benefit, for working aged clients**

| Length of current spell to the end of June | Working aged clients receiving a sickness-related benefit ^{1,2} | | | | |
|--|--|---------------|---------------|---------------|---------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| Under 6 months | 10,793 | 12,083 | 13,142 | 15,170 | 14,020 |
| 6 months – 2 years | 10,637 | 12,247 | 14,082 | 15,311 | 17,238 |
| 2–4 years | 5,542 | 5,276 | 6,159 | 7,031 | 7,637 |
| Over 4 years | 6,355 | 6,418 | 6,107 | 6,186 | 6,281 |
| Total | 33,327 | 36,024 | 39,490 | 43,698 | 45,176 |

Notes

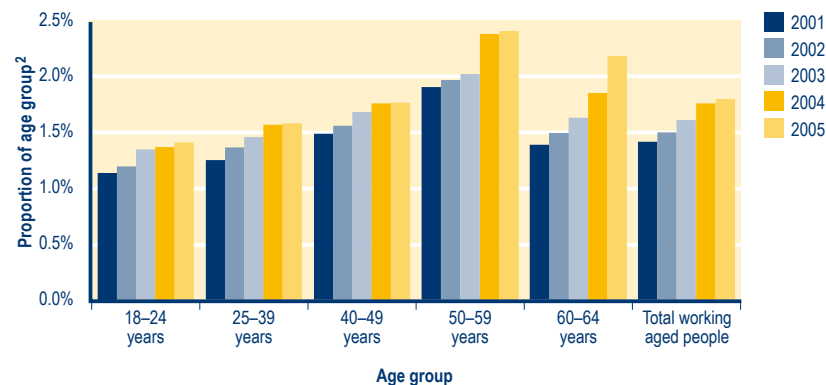
1 Sickness-related benefits include Sickness Benefits and Sickness Benefits – Hardship.

2 Numbers of working aged clients recorded in SWIFTT as receiving a sickness-related benefit at the end of June.

Table 7.1 (see Section 7) shows trends since 1940 in the number of people receiving a sickness-related benefit.

Trends in the proportion of working aged people receiving a sickness-related benefit

Since 2001, around 1% of working aged people have received a sickness-related benefit. Throughout this period, the proportion of people aged 18–59 years receiving a sickness-related benefit has increased with age (see **Figure 3.6**). This reflects the impact of ageing on the incidence of health and disability conditions and on whether those conditions become permanent and severe (and hence covered by an Invalid's Benefit rather than a sickness-related benefit).

figure
3.6**Trends in the proportion of working aged people receiving a sickness-related benefit,¹ by age**

Notes

1 Includes Sickness Benefits and Sickness Benefits – Hardship.

2 Proportion shows:

- number of clients in age group recorded in SWIFTT as receiving a sickness-related benefit 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 A3.7** (Appendix 3) for a summary of the SWIFTT data underlying **Figure 3.6**.



Trends in sickness-related benefits granted

The annual number of sickness-related benefits granted has increased since 2000/2001. Of the sickness-related benefits granted over this period, virtually all were provided to working aged clients (see [Table 3.24](#)).

table
3.24

Overall trends in the number of sickness-related benefits granted

| | Sickness-related benefits granted ^{1,2} | | | | |
|----------------------|--|---------------------|---------------------|---------------------|---------------------|
| | 2000/2001 Number | 2001/2002 Number | 2002/2003 Number | 2003/2004 Number | 2004/2005 Number |
| Working aged clients | 38,223 | 41,273 | 43,343 | 47,663 | 47,259 |
| Other clients | 351 | 569 | 674 | 692 | 747 |
| Total | 38,574 | 41,842 | 44,017 | 48,355 | 48,006 |

Notes

- Sickness-related benefits include Sickness Benefits and Sickness Benefits – Hardship.
- Numbers of successful applications for sickness-related benefits recorded in SWIFTT during years ended June.

Of the sickness-related benefits granted to working aged clients each year since 2000/2001:

- between 38% and 42% were provided to clients who had not received an income-tested benefit in the previous 12 months (see [Table 3.25](#))
- between 32% and 34% were provided to clients with systemic disorders (see [Table 3.26](#))
- an increasing proportion were provided to clients with psychological or psychiatric conditions (33% in 2004/2005, compared with 27% in 2000/2001) (see [Table 3.26](#)).

Between 2003/2004 and 2004/2005, there was a decrease in the proportion of sickness-related benefits granted to working aged clients each year that reflected transfers from another benefit or district (from 36% to 31%) (see [Table 3.25](#)).

table
3.25

Trends in the length of periods since working aged clients granted a sickness-related benefit last received any income-tested benefit

| Period since client last received any income-tested benefit | Sickness-related benefits granted to working aged clients ^{1,2} | | | | |
|---|--|---------------------|---------------------|---------------------|---------------------|
| | 2000/2001 Number | 2001/2002 Number | 2002/2003 Number | 2003/2004 Number | 2004/2005 Number |
| None (clients transferring between benefits or districts, or transferring from the same type of benefit) ^{3,4} | 14,378 | 15,456 | 15,917 | 17,236 | 14,420 |
| Under 6 months | 5,471 | 6,285 | 6,842 | 7,762 | 8,220 |
| 6–12 months | 3,262 | 3,559 | 3,744 | 4,359 | 4,868 |
| 12–18 months | 1,697 | 1,863 | 2,092 | 2,241 | 2,583 |
| 18 months – 2 years | 1,183 | 1,417 | 1,496 | 1,596 | 1,721 |
| 2–4 years | 2,673 | 2,856 | 3,110 | 3,592 | 3,783 |
| Had not received an income-tested benefit in previous four years | 9,559 | 9,837 | 10,142 | 10,877 | 11,664 |
| Total | 38,223 | 41,273 | 43,343 | 47,663 | 47,259 |

Notes

- Sickness-related benefits include Sickness Benefits and Sickness Benefits – Hardship.
- Numbers of successful applications for sickness-related benefits from working aged clients recorded in SWIFTT during years ended June.
- Includes only a minority of transfers of benefits between districts. Most transfers between districts are accomplished without cancelling and re-granting benefits.
- Transfers from the same type of benefit may occur when clients receiving hardship assistance become eligible for statutory benefits (eg a transfer from a Sickness Benefit – Hardship to a Sickness Benefit).

table
3.26**Trends in the incapacity of working aged clients granted a sickness-related benefit**

| Client incapacity when benefit granted | Sickness-related benefits granted to working aged clients ^{1,2} | | | | |
|---|--|---------------------|---------------------|---------------------|---------------------|
| | 2000/2001 Number | 2001/2002 Number | 2002/2003 Number | 2003/2004 Number | 2004/2005 Number |
| Accident, trauma, entry of foreign bodies | 5,699 | 6,023 | 5,996 | 6,369 | 6,304 |
| Disease (circulatory system diseases, infectious or parasitic diseases) | 664 | 639 | 579 | 593 | 646 |
| Cancer | 905 | 910 | 994 | 1,017 | 1,140 |
| Congenital conditions | 194 | 211 | 223 | 235 | 202 |
| Intellectual disability | 80 | 83 | 79 | 121 | 116 |
| Pregnancy related | 5,372 | 5,014 | 4,647 | 4,942 | 4,558 |
| Psychological or psychiatric conditions | 10,120 | 11,820 | 13,730 | 15,076 | 15,416 |
| Sensory disorders | 343 | 370 | 434 | 475 | 505 |
| Substance abuse | 2,260 | 2,345 | 2,370 | 2,442 | 2,271 |
| Systemic disorders ³ | 12,384 | 13,649 | 14,104 | 16,179 | 15,679 |
| Unspecified/ill-defined conditions ⁴ | 202 | 209 | 187 | 214 | 422 |
| Total | 38,223 | 41,273 | 43,343 | 47,663 | 47,259 |

Notes

- 1 Sickness-related benefits include Sickness Benefits and Sickness Benefits – Hardship.
- 2 Numbers of successful applications from working aged clients for sickness-related benefits recorded in SWIFTT during years ended June.
- 3 Encompasses disorders of physiological systems (eg musculoskeletal systems, metabolic systems).
- 4 Includes uncoded incapacities and ill-defined conditions.

Trends in cancellations of sickness-related benefits

The number of sickness benefits cancelled each year has increased since 2000/2001. Of the cancellations of sickness-related benefits in each year over this period, virtually all were by working aged clients (see [Table 3.27](#)).

table
3.27**Overall trends in the number of sickness-related benefits cancelled**

| | Sickness-related benefits cancelled ^{1,2} | | | | |
|----------------------|--|---------------------|---------------------|---------------------|---------------------|
| | 2000/2001 Number | 2001/2002 Number | 2002/2003 Number | 2003/2004 Number | 2004/2005 Number |
| Working aged clients | 36,590 | 38,368 | 39,905 | 42,608 | 45,219 |
| Other clients | 375 | 449 | 585 | 651 | 868 |
| Total | 36,965 | 38,817 | 40,490 | 43,259 | 46,087 |

Notes

- 1 Sickness-related benefits include Sickness Benefits and Sickness Benefits – Hardship.
- 2 Numbers of cancellations of sickness-related benefits recorded in SWIFTT during years ended June.

Since 2000/2001, the proportion of cancellations of sickness-related benefits by working aged clients each year that reflect (see [Table 3.28](#)):

- reasons other than entering paid work or transferring to another benefit, pension or district has increased (from 32% to 41%)
- transfers to another benefit, pension or district has decreased (from 55% to 43%).

table
3.28**Trends in the reason for working aged clients cancelling sickness-related benefits**

| Reason for cancellation | Sickness-related benefits cancelled by working aged clients ^{1,2} | | | | |
|--|--|---------------------|---------------------|---------------------|---------------------|
| | 2000/2001 Number | 2001/2002 Number | 2002/2003 Number | 2003/2004 Number | 2004/2005 Number |
| Obtained paid work ³ | 4,887 | 5,199 | 5,508 | 6,192 | 7,450 |
| Transferred to another benefit, pension or district ^{4,5} | 20,057 | 20,559 | 20,394 | 19,812 | 19,314 |
| Qualified for New Zealand Superannuation ⁴ | 4 | 11 | 14 | 50 | 127 |
| Other ³ | 11,642 | 12,599 | 13,989 | 16,554 | 18,328 |
| Total | 36,590 | 38,368 | 39,905 | 42,608 | 45,219 |

Notes

- 1 Sickness-related benefits include Sickness Benefits and Sickness Benefits – Hardship.
- 2 Numbers of cancellations of sickness-related benefits by working aged clients recorded in SWIFTT during years ended June.
- 3 Due to recoding of reasons for cancelling income-tested benefits, these figures may not reconcile with those published in previous years.
- 4 “Transferred to another benefit [or] pension” includes some transfers from income-tested benefits to New Zealand Superannuation. These are additional to the number shown above as “Qualified for New Zealand Superannuation”.
- 5 “Transferred to another ... district” represents cancellations undertaken so a client's benefit can be administered from a different Work and Income service centre. These changes may reflect a change of address by the client or an administrative decision by Work and Income. A majority of transfers of benefits between districts are completed without cancelling the client's benefit, and therefore are not included above.

Trends in expenditure on sickness-related benefits

Increases since 2000/2001 in annual expenditure on sickness-related benefits (see [Table 3.29](#)) largely reflect increases in the numbers of people receiving a sickness-related benefit. The decrease in expenditure between 1998/1999 and 2000/2001 reflects a combination of:

- adjustment of the rates of sickness-related benefits to levels similar to rates of unemployment-related benefits
- a temporary fall in numbers receiving sickness-related benefits between 1997/1998 and 1999/2000.

In the last two financial years, increased expenditure on Accommodation Supplements and Special Benefits paid to people receiving sickness-related benefits has also contributed to the growth in expenditure shown in [Table 3.29](#).

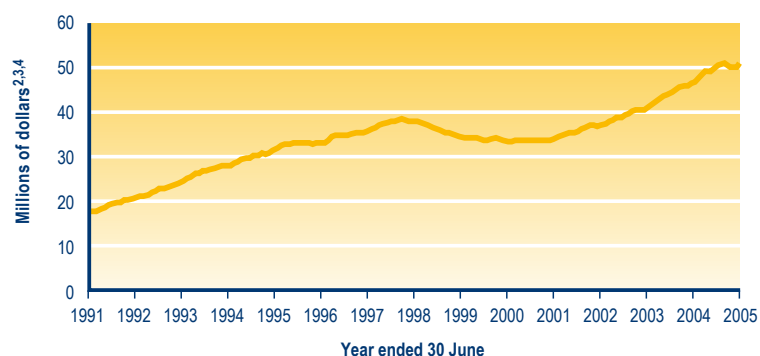
table
3.29Trends in annual expenditure on sickness-related benefits¹

| Year ended 30 June | Expenditure on sickness-related benefits ^{2,3,4} (\$m) |
|--------------------|---|
| 1991/1992 | 234 |
| 1992/1993 | 273 |
| 1993/1994 | 323 |
| 1994/1995 | 361 |
| 1995/1996 | 394 |
| 1996/1997 | 419 |
| 1997/1998 | 452 |
| 1998/1999 | 429 |
| 1999/2000 | 405 |
| 2000/2001 | 404 |
| 2001/2002 | 432 |
| 2002/2003 | 475 |
| 2003/2004 | 537 |
| 2004/2005 | 596 |

Notes

- 1 Sickness-related benefits include Sickness Benefits and Sickness Benefits – Hardship.
- 2 Expenditure on sickness-related benefits in years ended June, including expenditure on supplementary benefits provided to recipients of a sickness-related 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.

Little seasonal variation is evident in monthly expenditure on sickness-related benefits (see [Figure 3.7](#)).

figure
3.7Trends in monthly expenditure on sickness-related benefits¹

Notes

- 1 Sickness-related benefits include Sickness Benefits and Sickness Benefits – Hardship.
- 2 Monthly expenditure on sickness-related benefits, including expenditure on supplementary benefits paid to recipients of a sickness-related 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.

Table 7.2 (see Section 7) shows trends since 1940 in expenditure on sickness-related benefits, including expenditure on supplementary benefits paid to people receiving a sickness-related benefit. Please note that, from 1996, the expenditure data on sickness-related benefits shown in **Table 7.2** reflects deductions for:

- debts established
- clients receiving these benefits as well as overseas pensions.

The data in **Table 3.29** and **Figure 3.7** does not reflect these deductions.

Invalid's Benefit

An Invalid's Benefit is available to people who are 16 years or over and 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:

- is expected to last at least two years, or that is terminal and the client is not expected to live for more than two years
- means the client cannot regularly work more than 15 hours per week in open employment.

A residential qualification and an income test must be met in order to receive an Invalid's Benefit.

From 1 October 1998, the partners and spouses of people receiving an Invalid's Benefit have been subject to:

- a full-time work test if the couple have no dependent children or if their youngest dependent child is aged 14 years or over
- a part-time work test if the couple's youngest dependent child is aged 6–13 years
- a requirement to attend an annual planning interview with a Work and Income case manager if the couple's youngest dependent child is aged under six years (the aim of this interview is to plan their entry into paid work once their youngest dependent child turns six years of age).

During the 2003/2004 financial year, work-tested clients had Government expectations about meeting the work test made clearer. Other work-test requirements added during the 2003/2004 financial year included a requirement to:

- take drug tests if required to by a prospective employer (from 22 October 2003)
- commute to seek and undertake paid work if there is no such work available in their local area (from 8 March 2004).

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

- Invalid's Benefit recipients to work 15 hours per week or more, for a period of up to six months, without losing entitlement to their Invalid's Benefit (clients wishing to take up this opportunity must agree the period involved in advance with their case manager)
- clients who must stop work and reapply for an Invalid's Benefit due to the same illness, disability or injury to be exempted from an automatic stand-down period before they resume receiving an Invalid's Benefit (like all other benefit recipients, these Invalid's Benefit recipients may, however, be subject to a stand-down period if they have high earnings from their employment).

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

Increases since 2001 in the number of clients receiving an Invalid's Benefit (see [Table 3.30](#)) largely reflect the long-term nature of the conditions that result in people being granted an Invalid's Benefit. Since 2001, virtually all Invalid's Benefit recipients have been working aged (see [Table 3.30](#)).

Of the working aged Invalid's Benefits recipients each year since 2001:

- between 43% and 46% were aged 50–64 years, while between 47% and 50% were aged 25–49 years (see [Table 3.30](#))
- around 38% had a systemic disorder (see [Table 3.31](#)), while around 26% had a psychological or psychiatric condition (see [Table 3.31](#))
- between 15% and 18% had an intellectual disability (see [Table 3.31](#)).

table
3.30

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

| Age of client at the end of June | Working aged clients receiving an Invalid's Benefit ¹ | | | | |
|----------------------------------|--|----------------|----------------|----------------|----------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| 18–19 years | 1,238 | 1,302 | 1,316 | 1,367 | 1,480 |
| 20–24 years | 3,108 | 3,297 | 3,512 | 3,710 | 3,793 |
| 25–29 years | 4,028 | 4,027 | 4,011 | 4,025 | 4,076 |
| 30–34 years | 5,296 | 5,508 | 5,623 | 5,670 | 5,585 |
| 35–39 years | 6,403 | 6,548 | 6,782 | 6,957 | 6,939 |
| 40–44 years | 6,690 | 7,381 | 7,909 | 8,417 | 8,687 |
| 45–49 years | 6,871 | 7,539 | 8,048 | 8,559 | 9,070 |
| 50–54 years | 7,713 | 8,318 | 8,840 | 9,345 | 9,794 |
| 55–59 years | 8,462 | 9,150 | 10,022 | 10,835 | 11,366 |
| 60–64 years | 8,776 | 10,144 | 11,067 | 11,922 | 12,396 |
| Total working aged clients | 58,585 | 63,214 | 67,130 | 70,807 | 73,186 |
| | Other clients receiving an Invalid's Benefit ¹ | | | | |
| Total other clients | 1,227 | 1,315 | 1,377 | 1,535 | 1,610 |
| | All clients receiving an Invalid's Benefit ¹ | | | | |
| Total | 59,812 | 64,529 | 68,507 | 72,342 | 74,796 |

Note

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

table
3.31**Trends in the incapacity of working aged clients receiving an Invalid's Benefit**

| Client incapacity at the end of June | Working aged clients receiving an Invalid's Benefit ¹ | | | | |
|---|--|----------------|----------------|----------------|----------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| Accident, trauma, entry of foreign bodies | 4,151 | 4,534 | 4,768 | 4,931 | 5,048 |
| Disease (circulatory system diseases, infectious or parasitic diseases) | 291 | 348 | 376 | 407 | 442 |
| Cancer | 1,549 | 1,711 | 1,861 | 2,006 | 2,088 |
| Congenital conditions | 1,992 | 2,185 | 2,430 | 2,582 | 2,710 |
| Intellectual disability | 10,575 | 10,648 | 10,717 | 10,826 | 10,914 |
| Psychological or psychiatric conditions | 14,954 | 16,282 | 17,615 | 18,879 | 19,773 |
| Sensory disorders | 1,926 | 1,984 | 1,997 | 2,062 | 2,042 |
| Substance abuse | 730 | 857 | 918 | 1,036 | 1,095 |
| Systemic disorders ² | 22,084 | 24,420 | 26,268 | 27,911 | 28,750 |
| Unspecified/ill-defined conditions ³ | 333 | 245 | 180 | 167 | 324 |
| Total | 58,585 | 63,214 | 67,130 | 70,807 | 73,186 |

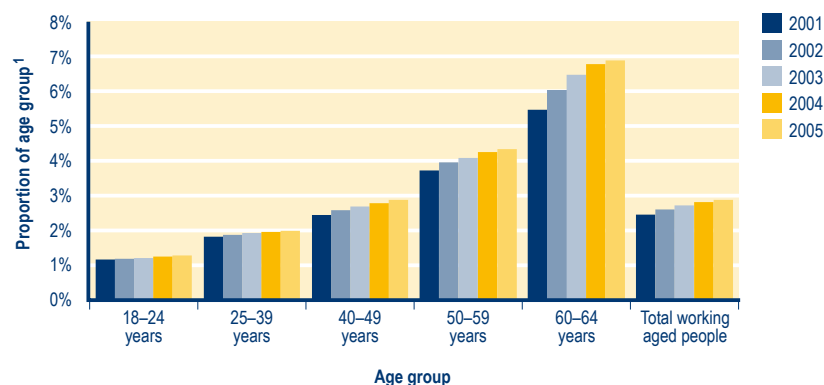
Notes

- 1 Numbers of working aged clients recorded in SWIFTT as receiving an Invalid's Benefit at the end of June.
- 2 Encompasses disorders of physiological systems (eg musculoskeletal systems, metabolic systems).
- 3 Includes uncoded incapacities and ill-defined conditions.

Table 7.1 (see Section 7) shows trends since 1940 in the number of clients receiving an Invalid's Benefit.

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

Since 2001, around 2% of working aged people have been receiving an Invalid's Benefit (see **Figure 3.8**), reflecting the long-term nature of the conditions that result in clients being granted an Invalid's Benefit. Throughout this period, the prevalence of receipt of Invalid's Benefits among 18–64 year olds has increased with age (see **Figure 3.8**). This reflects the impact of ageing on the incidence of permanent and severe health or disability conditions experienced by people receiving an Invalid's Benefit.

figure
3.8**Trends in the proportion of working aged people receiving an Invalid's Benefit, by age**

Note

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

See **Table A3.8** (Appendix 3) for a summary of the SWIFTT data underlying **Figure 3.8**.

Trends in Invalid's Benefits granted

The number of Invalid's Benefits granted each year decreased slightly between 2003/2004 and 2004/2005, after increasing between 2000/2001 and 2003/2004 (see [Table 3.32](#)). Since 2000/2001, almost all Invalid's Benefits granted each year have been provided to working aged clients.

table
3.32

Overall trends in the number of Invalid's Benefits granted

| | Invalid's Benefits granted ¹ | | | | |
|----------------------|---|---------------------|---------------------|---------------------|---------------------|
| | 2000/2001 Number | 2001/2002 Number | 2002/2003 Number | 2003/2004 Number | 2004/2005 Number |
| Working aged clients | 9,465 | 10,577 | 10,562 | 11,044 | 10,898 |
| Other clients | 646 | 673 | 714 | 789 | 806 |
| Total | 10,111 | 11,250 | 11,276 | 11,833 | 11,704 |

Note

¹ Numbers of successful Invalid's Benefit applications recorded in SWIFTT during years ended June.

Of the Invalid's Benefits granted to working aged clients each year since 2000/2001:

- between 70% and 74% reflected transfers from another benefit or district (see [Table 3.33](#))
- between 16% and 20% were provided to clients who had not received an income-tested benefit in the previous 12 months (see [Table 3.33](#))
- between 46% and 48% were provided to clients with systemic disorders (see [Table 3.34](#))
- between 24% and 26% were provided to clients with psychological or psychiatric disorders (see [Table 3.34](#)).

table
3.33

Trends in the length of periods since working aged clients granted an Invalid's Benefit last received any income-tested benefits

| Period since client last received any income-tested benefit | Invalid's Benefits granted to working aged clients ¹ | | | | |
|--|---|---------------------|---------------------|---------------------|---------------------|
| | 2000/2001 Number | 2001/2002 Number | 2002/2003 Number | 2003/2004 Number | 2004/2005 Number |
| None (clients transferring between benefits or districts) ² | 7,002 | 7,886 | 8,019 | 8,139 | 7,665 |
| Under 6 months | 568 | 641 | 623 | 655 | 757 |
| 6–12 months | 231 | 234 | 268 | 266 | 283 |
| 12–18 months | 117 | 128 | 111 | 114 | 133 |
| 18 months – 2 years | 80 | 97 | 78 | 85 | 98 |
| 2–4 years | 168 | 218 | 182 | 239 | 233 |
| Had not received an income-tested benefit in previous four years | 1,299 | 1,373 | 1,281 | 1,546 | 1,729 |
| Total | 9,465 | 10,577 | 10,562 | 11,044 | 10,898 |

Notes

¹ Numbers of successful Invalid's Benefit applications from working aged clients recorded in SWIFTT during years ended June.

² Includes only a minority of transfers of benefits between districts. Most transfers between districts are accomplished without cancelling and re-granting benefits.

table
3.34**Trends in the incapacity of working aged clients granted an Invalid's Benefit**

| Client incapacity when benefit granted | Invalid's Benefits granted to working aged clients ¹ | | | | |
|---|---|------------------|------------------|------------------|------------------|
| | 2000/2001 Number | 2001/2002 Number | 2002/2003 Number | 2003/2004 Number | 2004/2005 Number |
| Accident, trauma, entry of foreign bodies | 813 | 930 | 841 | 795 | 796 |
| Disease (circulatory system diseases, infectious or parasitic diseases) | 83 | 93 | 82 | 88 | 95 |
| Cancer | 899 | 986 | 1,011 | 1,111 | 1,133 |
| Congenital conditions | 211 | 201 | 240 | 238 | 210 |
| Intellectual disability | 329 | 318 | 332 | 354 | 364 |
| Psychological or psychiatric conditions | 2,316 | 2,554 | 2,691 | 2,716 | 2,613 |
| Sensory disorders | 197 | 210 | 181 | 230 | 191 |
| Substance abuse | 190 | 228 | 195 | 214 | 202 |
| Systemic disorders ² | 4,407 | 5,033 | 4,970 | 5,221 | 4,982 |
| Unspecified/ill-defined conditions ³ | 20 | 24 | 19 | 77 | 312 |
| Total | 9,465 | 10,577 | 10,562 | 11,044 | 10,898 |

Notes

- 1 Numbers of successful Invalid's Benefit applications from working aged clients recorded in SWIFTT during years ended June.
- 2 Encompasses disorders of physiological systems (eg musculoskeletal systems, metabolic systems).
- 3 Includes uncoded incapacities and ill-defined conditions.

Trends in cancellations of Invalid's Benefits

The number of Invalid's Benefits cancelled each year has increased since 2000/2001 (see [Table 3.35](#)), reflecting increases in the numbers of people receiving an Invalid's Benefit. Since 2000/2001, almost all of the Invalid's Benefit cancellations each year were by working aged clients (see [Table 3.35](#)).

table
3.35**Overall trends in the number of Invalid's Benefits cancelled**

| | Invalid's Benefits cancelled ¹ | | | | |
|----------------------|---|------------------|------------------|------------------|------------------|
| | 2000/2001 Number | 2001/2002 Number | 2002/2003 Number | 2003/2004 Number | 2004/2005 Number |
| Working aged clients | 5,308 | 5,821 | 6,389 | 7,158 | 7,961 |
| Other clients | 259 | 571 | 757 | 971 | 1,119 |
| Total | 5,567 | 6,392 | 7,146 | 8,129 | 9,080 |

Note

- 1 Numbers of cancellations of Invalid's Benefits recorded in SWIFTT during years ended June.

Of the Invalid's Benefit cancellations by working aged clients each year since 2000/2001 (see [Table 3.36](#)):

- between 24% and 28% reflected transfers to other benefits, pensions or districts
- a decreasing proportion reflected reasons other than clients transferring to another benefit, pension or district, entering paid work or qualifying for New Zealand Superannuation (51% in 2004/2005, compared with 58% in 2000/2001).

The chief "Other" reason for cancellations of Invalid's Benefits is the death of the client.

table
3.36**Trends in the reason for cancellations of Invalid's Benefits by working aged clients**

| Reason for cancellation | Invalid's Benefits cancelled by working aged clients ¹ | | | | |
|--|---|---------------------|---------------------|---------------------|---------------------|
| | 2000/2001 Number | 2001/2002 Number | 2002/2003 Number | 2003/2004 Number | 2004/2005 Number |
| Obtained paid work ² | 700 | 812 | 943 | 1,089 | 1,328 |
| Transferred to another benefit, pension or district ^{3,4} | 1,476 | 1,412 | 1,612 | 1,920 | 2,071 |
| Qualified for New Zealand Superannuation ³ | 76 | 207 | 325 | 406 | 505 |
| Other ² | 3,056 | 3,390 | 3,509 | 3,743 | 4,057 |
| Total | 5,308 | 5,821 | 6,389 | 7,158 | 7,961 |

Notes

- Numbers of Invalid's Benefit cancellations by working aged clients recorded in SWIFTT during years ended June.
- Due to recoding of reasons for cancelling income-tested benefits, these figures may not reconcile with those published in previous years.
- "Transferred to another benefit [or] pension" includes some transfers from income-tested benefits to New Zealand Superannuation. These are additional to the number shown above as "Qualified for New Zealand Superannuation".
- "Transferred to another ... district" represents cancellations undertaken so a client's benefit can be administered from a different Work and Income service centre. These changes may reflect a change of address by the client or an administrative decision by Work and Income. A majority of transfers of benefits between districts are completed without cancelling the client's benefit, and therefore are not included above.

Trends in expenditure on Invalid's Benefits

Increases since 1991/1992 in annual expenditure on Invalid's Benefits (see [Table 3.37](#)) reflect increases in the number of people receiving an Invalid's Benefit. The slower growth over the last two years in numbers receiving Invalid's Benefits is not reflected in [Table 3.37](#), due to increased expenditure on supplementary benefits (particularly Special Benefit) which were paid to Invalid's Benefit recipients.

table
3.37**Trends in annual expenditure on Invalid's Benefits**

| Year ended 30 June | Expenditure on Invalid's Benefits ^{1,2,3} (\$m) |
|-----------------------|--|
| 1991/1992 | 329 |
| 1992/1993 | 365 |
| 1993/1994 | 414 |
| 1994/1995 | 465 |
| 1995/1996 | 501 |
| 1996/1997 | 556 |
| 1997/1998 | 624 |
| 1998/1999 | 661 |
| 1999/2000 | 703 |
| 2000/2001 | 764 |
| 2001/2002 | 846 |
| 2002/2003 | 929 |
| 2003/2004 | 1,010 |
| 2004/2005 | 1,076 |

Notes

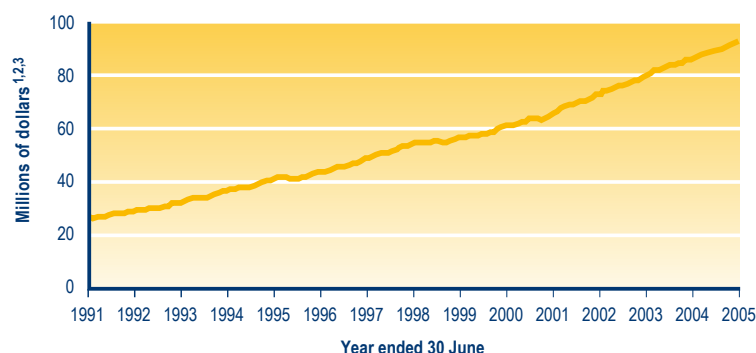
- Expenditure on Invalid's Benefits in years ended June, including expenditure on supplementary benefits provided to recipients of an Invalid's Benefit.
- Expenditure shown is net of taxation, adjusted to payment periods based on a standard 30-day month, and smoothed using a three-month moving average.
- 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.

Little seasonal change is evident in monthly expenditure on Invalid's Benefits (see [Figure 3.9](#)). Temporary reductions in monthly Invalid's Benefit expenditure in 1995 and 2001 reflect:

- the transfer of maximised Special Benefit payments to Vote: Health in July 1995
- a fall in expenditure on Accommodation Supplements received by Invalid's Benefit recipients following the reintroduction of income-related rents in November 2000 (this permanent fall in Accommodation Supplement expenditure was offset by continued growth in expenditure on the Invalid's Benefit, excluding supplementary benefits).

figure
3.9

Trends in monthly expenditure on Invalid's Benefits



Notes

- 1 Monthly expenditure on Invalid's Benefits, 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.

[Table 7.2](#) (see Section 7) shows trends since 1940 in expenditure on Invalid's Benefits, including expenditure on supplementary benefits paid to people receiving an Invalid's Benefit. Please note that expenditure on Invalid's Benefits since 1996 shown in [Table 7.2](#) reflects deductions for:

- debts established
- clients receiving overseas pensions as well as these benefits.

The data in [Figure 3.9](#) and [Table 3.37](#) does not reflect these deductions.

Widow's Benefit

A Widow's Benefit is available to women aged 16 years or over who are living on their own or with dependent children after being widowed. Residency qualifications and income tests apply.

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
- 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.

From 1 February 1999 until 10 March 2003, women receiving a Widow's Benefit were subject to:

- a full-time work test if they had no dependent children or if their youngest dependent child was aged 14 years or over
- a part-time work test if their youngest dependent child was aged 6–13 years
- a requirement to attend annual planning interviews with a Work and Income case manager if their youngest dependent child was aged under six years (the aim of this interview was to plan how the client would enter paid work once her youngest dependent child was aged six years).

Since the removal of work-test requirements on 10 March 2003, Widow's Benefit recipients have been obligated to meet the requirements of the Personal Development and Employment Plan process if required to do so by their case manager. This process involves developing and implementing a plan aimed at assisting clients in moving toward employment, and therefore toward economic and social participation in society.

Trends in the number of women receiving a Widow's Benefit

The number of women receiving a Widow's Benefit has decreased since 2001 (see [Table 3.38](#)), reflecting the ageing of the women receiving a Widow's Benefit and their movement onto New Zealand Superannuation. Since 2001, virtually all Widow's Benefit recipients have been working aged women.

table
3.38

Overall trends in the number of women receiving a Widow's Benefit

| | Clients receiving Widow's Benefits ¹ | | | | |
|--------------------|---|----------------|----------------|----------------|----------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| Working aged women | 8,765 | 8,647 | 8,526 | 8,261 | 7,637 |
| Other women | 135 | 127 | 133 | 152 | 158 |
| Total | 8,900 | 8,774 | 8,659 | 8,413 | 7,795 |

Note

¹ Numbers of women recorded in SWIFTT as receiving Widow's Benefits as at the end of June.

Between 2001 and 2005, between 47% and 50% of the working aged women receiving Widow's Benefits had done so for over four years, while between 21% and 23% had done so for between six months and two years (see [Table 3.39](#)).

table
3.39

Trends in the length of current spells receiving a Widow's Benefit, for working aged women

| Length of current spell to the end of June | Working aged women receiving a Widow's Benefit ¹ | | | | |
|--|---|----------------|----------------|----------------|----------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| Under 6 months | 786 | 782 | 850 | 771 | 766 |
| 6 months – 2 years | 1,866 | 1,806 | 1,920 | 1,931 | 1,762 |
| 2–4 years | 1,719 | 1,732 | 1,630 | 1,579 | 1,538 |
| Over 4 years | 4,394 | 4,327 | 4,126 | 3,980 | 3,571 |
| Unspecified | 0 | 0 | 0 | 0 | 0 |
| Total | 8,765 | 8,647 | 8,526 | 8,261 | 7,637 |

Note

¹ Numbers of working aged women recorded in SWIFTT as receiving a Widow's Benefit at the end of June.

[Table 7.1](#) (see Section 7) shows trends since 1940 in the number of women receiving a Widow's Benefit.

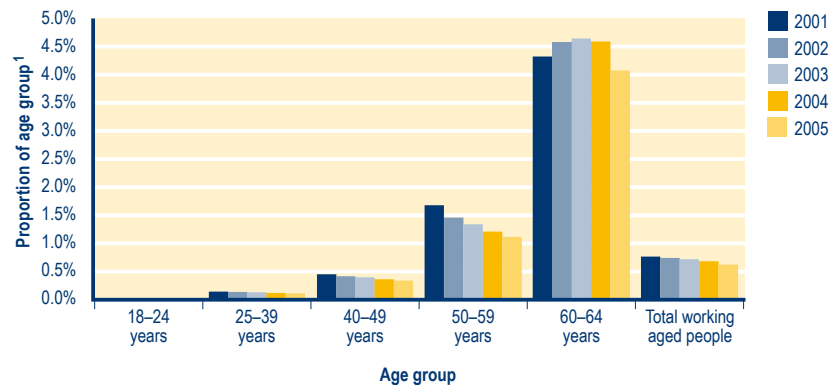


Trends in the proportion of working aged women receiving a Widow's Benefit

Since 2001, around 0.5% of working aged women have been receiving a Widow's Benefit (see [Figure 3.10](#)). The significantly higher prevalence of use of Widow's Benefits among 50–64 year olds than among younger women throughout this period (see [Figure 3.10](#)) largely reflects the eligibility criteria for a Widow's Benefit.

figure
3.10

Trends in the proportion of working aged women receiving a Widow's Benefit, by age



Note

1 Proportion shows:

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

See [Table A3.9](#) (Appendix 3) for a summary of the SWIFTT data underlying [Figure 3.10](#).

Trends in Widow's Benefits granted

Since 2001, the number of Widow's Benefits granted each year has fluctuated around the same level (see [Table 3.40](#)). Over this period, virtually all Widow's Benefits granted were provided to working aged women (see [Table 3.40](#)).

table
3.40

Overall trends in the number of Widow's Benefits granted

| | Widow's Benefits granted ¹ | | | | |
|--------------------|---------------------------------------|---------------------|---------------------|---------------------|---------------------|
| | 2000/2001 Number | 2001/2002 Number | 2002/2003 Number | 2003/2004 Number | 2004/2005 Number |
| Working aged women | 1,982 | 1,992 | 2,123 | 1,981 | 1,953 |
| Other women | 20 | 23 | 27 | 36 | 40 |
| Total | 2,002 | 2,015 | 2,150 | 2,017 | 1,993 |

Note

1 Numbers of successful Widow's Benefit applications recorded in SWIFTT in years ended June.

Of the Widow's Benefits granted to working aged women in each year since 2000/2001 (see [Table 3.41](#)):

- between 62% and 64% were provided to women who had not received an income-tested benefit in the previous four years
- between 10% and 14% reflected transfers from another benefit or district.

table
3.41

Trends in the length of periods since working aged women granted a Widow's Benefit last received any income-tested benefit

| Period since recipient last received any income-tested benefit | Widow's Benefits granted to working aged women ¹ | | | | |
|--|---|---------------------|---------------------|---------------------|---------------------|
| | 2000/2001 Number | 2001/2002 Number | 2002/2003 Number | 2003/2004 Number | 2004/2005 Number |
| None (clients transferring between benefits or districts) ² | 234 | 265 | 291 | 204 | 186 |
| Under 6 months | 215 | 184 | 216 | 205 | 208 |
| 6–12 months | 98 | 106 | 112 | 103 | 127 |
| 12–18 months | 45 | 57 | 56 | 49 | 54 |
| 18 months – 2 years | 35 | 39 | 39 | 44 | 33 |
| 2–4 years | 90 | 111 | 92 | 131 | 104 |
| Had not received an income-tested benefit in previous four years | 1,265 | 1,230 | 1,317 | 1,245 | 1,241 |
| Total | 1,982 | 1,992 | 2,123 | 1,981 | 1,953 |

Notes

- Numbers of successful Widow's Benefits applications by working aged women recorded in SWIFTT during years ended June.
- Includes only a minority of transfers of benefits between districts. Most transfers between districts are accomplished without cancelling and re-granting benefits.

Trends in cancellations of Widow's Benefits

The annual number of cancellations of Widow's Benefits has fluctuated around an upward trend since 2000/2001. Over this period, almost all Widow's Benefits cancellations were by working aged women (see [Table 3.42](#)).

table
3.42

Overall trends in the number of Widow's Benefits cancelled

| | Widow's Benefits cancelled ¹ | | | | |
|--------------------|---|---------------------|---------------------|---------------------|---------------------|
| | 2000/2001 Number | 2001/2002 Number | 2002/2003 Number | 2003/2004 Number | 2004/2005 Number |
| Working aged women | 2,118 | 2,041 | 2,201 | 2,138 | 2,189 |
| Other women | 76 | 86 | 134 | 169 | 410 |
| Total | 2,194 | 2,127 | 2,335 | 2,307 | 2,599 |

Note

- Numbers of cancellations of Widow's Benefits recorded in SWIFTT in years ended June.

Of the cancellations of Widow's Benefits by working aged women each year since 2000/2001 (see [Table 3.43](#)):

- between 20% and 24% reflected women entering paid work
- between 44% and 50% reflected transfers to another pension or benefit, or qualifying for New Zealand Superannuation.

table
3.43**Trends in the reason for cancellations of Widow's Benefits by working aged women**

| Reason for cancellation | Widow's Benefits cancelled by working aged women ¹ | | | | |
|---|---|---------------------|---------------------|---------------------|---------------------|
| | 2000/2001 Number | 2001/2002 Number | 2002/2003 Number | 2003/2004 Number | 2004/2005 Number |
| Obtained paid work ² | 474 | 434 | 460 | 512 | 543 |
| Transferred to another benefit, pension or district ^{3,4} | 936 | 897 | 933 | 866 | 830 |
| Qualified for New Zealand Superannuation ⁴ | 5 | 19 | 54 | 86 | 254 |
| Other ² | 703 | 691 | 754 | 674 | 562 |
| Total | 2,118 | 2,041 | 2,201 | 2,138 | 2,189 |

Notes

- Numbers of cancellations of Widow's Benefits by working aged women recorded in SWIFTT during years ended June.
- Due to recoding of reasons for cancelling income-tested benefits, these figures may not reconcile with those published in previous years.
- "Transferred to another benefit [or] pension" includes some transfers from income-tested benefits to New Zealand Superannuation. These are additional to the number shown above as "Qualified for New Zealand Superannuation".
- "Transferred to another ... district" represents cancellations undertaken so a client's benefit can be administered from a different Work and Income service centre. These changes may reflect a change of address by the client or an administrative decision by Work and Income. A majority of transfers of benefits between districts are completed without cancelling the client's benefit, and therefore are not included above.

Expenditure on Widow's Benefits

Changes since 1991/1992 in the level of expenditure on Widow's Benefits (see [Table 3.44](#)) generally reflect a combination of changes in the number of women receiving Widow's Benefits and changes in the levels of assistance. The one-off decrease in expenditure on Widow's Benefits in 1994/1995 (see [Table 3.44](#)) reflects the transfer of some Widow's Benefit recipients to the then-new Transitional Retirement Benefit.

table
3.44**Trends in annual expenditure on Widow's Benefits**

| Year ended 30 June | Expenditure on Widow's Benefits ^{1,2,3} (\$m) |
|-----------------------|--|
| 1991/1992 | 82 |
| 1992/1993 | 84 |
| 1993/1994 | 86 |
| 1994/1995 | 82 |
| 1995/1996 | 86 |
| 1996/1997 | 92 |
| 1997/1998 | 95 |
| 1998/1999 | 95 |
| 1999/2000 | 93 |
| 2000/2001 | 91 |
| 2001/2002 | 91 |
| 2002/2003 | 92 |
| 2003/2004 | 93 |
| 2004/2005 | 90 |

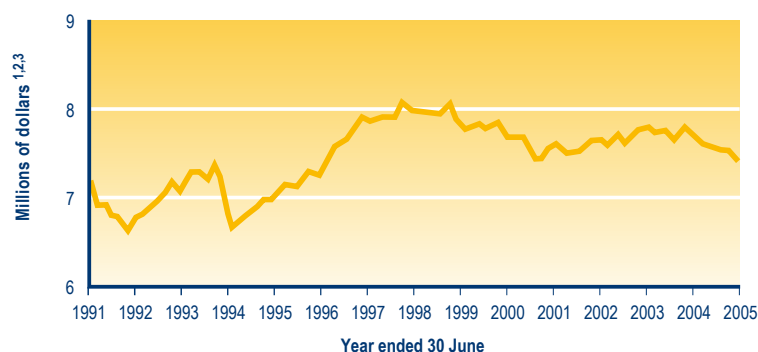
Notes

- Expenditure on Widow's Benefits in years ended June, including expenditure on supplementary benefits provided to recipients of a Widow's Benefit.
- 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.
- 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.

Monthly expenditure on Widow's Benefits shows small seasonal peaks in the latter part of each fiscal year (see [Figure 3.11](#)). This peak results from the Training Incentive Allowance and benefit advances that are made at the start of the school/academic year to Widow's Benefit recipients who have dependent children at school or who are themselves undertaking approved training or study. The impact of the transfer of some Widow's Benefit recipients to the then-new Transitional Retirement Benefit is evident in early 1994/1995 (see [Figure 3.11](#)).

figure
3.11

Trends in monthly expenditure on Widow's Benefits



Notes

- 1 Monthly expenditure on Widow's Benefits, including expenditure on supplementary benefits paid to women 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.

[Table 7.2](#) (see Section 7) shows trends since 1940 in expenditure on Widow's Benefits, including expenditure on supplementary benefits paid to people receiving a Widow's Benefit. Please note that expenditure on Widow's Benefits from 1996 shown in [Table 7.2](#) reflects deductions for:

- debts established
- clients receiving an overseas pension as well as these benefits.

These deductions are not reflected in the data in [Figure 3.11](#) and [Table 3.44](#).

Employment services

Work and Income provides access to a range of support services and training opportunities which assist work services clients to obtain ongoing paid employment. These include:

- one-to-one assistance with job search and preparation to enter employment
- employment or training programmes that assist clients in preparing for work, finding a job or entering employment
- referring clients to vacancies that are notified to Work and Income
- subsidies (paid for a limited time) to assist employers with the cost of wages or salaries for clients whom they hire
- assistance for clients to set up their own business, including access to business development advice and subsidies (paid for a limited time) to assist with initial capital or operating costs.

Registered job seekers

All registered job seekers must be:

- working less than 30 hours per week
- seeking to work more hours
- available for and actively seeking work.

Registered job seekers comprise:

- people who are required to register as job seekers because they, or their partner or spouse, are receiving a work-tested benefit
- people who:
 - choose to register to receive employment services from Work and Income as part of seeking work
 - meet the definition of registered job seekers outlined above.

Clients (or their partners and spouses) receiving a range of benefits are subject to a work test and may therefore be required to register as job seekers. Work-tested benefits are:

- Unemployment Benefits – client and partners/spouses both subject to work test
- Sickness Benefits – partner or spouse subject to work test
- Invalid's Benefits – partner or spouse subject to work test.

Between 1 February 1997 and 10 March 2003, some clients receiving a Domestic Purposes Benefit or Widow's Benefit were also work tested, as outlined earlier in this section.

Clients subject to a work test are required to actively seek, and to make themselves available to take up, suitable paid employment. Other obligations on work-tested clients that were introduced during the 2003/2004 financial year include:

- taking pre-employment drug tests if required by a prospective employer (from 10 October 2003)
- commuting to seek and undertake paid work if there is no such work available in their local area and they are receiving an Unemployment Benefit (from 8 March 2004).

Since 2000, between 98% and 99% of the clients receiving employment services from Work and Income have been registered job seekers. A small number of work services clients do, however, receive employment services from Work and Income without being registered as job seekers. These people include vacation workers and people already in full-time work who are seeking to change jobs.

From 1 July 2001, all registered job seekers receiving a work-tested benefit have been required to enter into a Job Seeker Agreement 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 the job search activities that will be undertaken, and may include employment or training programmes to be undertaken by the job seeker (eg a period of work experience or employment-related training).

The number of registered job seekers is an administrative statistic that differs from, and is usually higher than, the number of officially unemployed. See Appendix 2 for a definition of the officially unemployed, and for a summary of key differences between registered job seekers and the officially unemployed.

Trends in the number of registered job seekers

Decreases since 2001 in the number of registered job seekers (see [Table 3.45](#)) reflect:

- improved economic conditions
- the impact of policy and operational changes, including an increased emphasis on placing job seekers into paid work.

Since 2001, virtually all registered job seekers have been working aged (see [Table 3.45](#)).

Of the working aged job seekers in each year over this period:

- between 35% and 40% were aged 25–39 years, while around 25% were aged under 25 years (see [Table 3.45](#))
- between 55% and 60% were receiving an unemployment-related benefit, while between 19% and 24% were not receiving any income-tested benefit or pension (see [Table 3.46](#))
- between 47% and 49% had no formal educational qualifications, while around 39% had school qualifications (see [Table 3.47](#))

- an increasing proportion were registered for under six months (40% in 2005, compared with 33% in 2001) (see [Table 3.48](#))
- a decreasing proportion identified as New Zealand Europeans (35% in 2005, compared with 47% in 2001) (see [Table 3.49](#)).

table
3.45**Trends in the age of registered job seekers**

| Age of client at the end of June | Working aged registered job seekers ¹ | | | | |
|---|--|----------------|----------------|----------------|----------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| 18–19 years | 15,909 | 14,432 | 12,901 | 9,413 | 7,465 |
| 20–24 years | 31,751 | 28,430 | 25,132 | 17,680 | 13,943 |
| 25–39 years | 76,761 | 66,001 | 55,522 | 39,265 | 29,516 |
| 40–44 years | 22,404 | 19,749 | 16,892 | 11,710 | 8,914 |
| 45–49 years | 17,206 | 15,454 | 13,309 | 9,500 | 7,389 |
| 50–54 years | 15,010 | 12,892 | 10,973 | 8,061 | 6,175 |
| 55–59 years | 6,846 | 5,905 | 5,142 | 7,601 | 5,639 |
| 60–64 years | 1,954 | 1,550 | 1,329 | 1,130 | 1,828 |
| Total working aged registered job seekers | 187,841 | 164,413 | 141,200 | 104,360 | 80,869 |
| | Other registered job seekers ¹ | | | | |
| Other registered job seekers | 4,014 | 3,304 | 3,376 | 3,230 | 2,764 |
| | All registered job seekers ¹ | | | | |
| Total | 191,855 | 167,717 | 144,576 | 107,590 | 83,633 |

Note

1 Numbers of job seekers registered in SOLO at the end of June.

table
3.46**Trends in the type of pension or income-tested benefit received by working aged job seekers**

| Type of pension or income-tested benefit received at the end of June | Working aged registered job seekers ¹ | | | | |
|--|--|----------------|----------------|----------------|----------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| Unemployment-related benefits ² | 112,751 | 98,597 | 84,409 | 59,400 | 44,737 |
| Carer's benefits ³ | 30,548 | 27,831 | 24,256 | 16,958 | 11,636 |
| Sickness-related benefits ⁴ | 2,706 | 2,415 | 2,362 | 2,796 | 2,773 |
| Invalid's Benefit | 1,201 | 1,273 | 1,483 | 1,691 | 1,620 |
| Widow's Benefit | 1,763 | 1,472 | 1,183 | 728 | 449 |
| Transitional Retirement Benefit ⁵ | 23 | 14 | 6 | 0 | 0 |
| Emergency Benefit | 743 | 440 | 372 | 278 | 215 |
| New Zealand Superannuation | 28 | 20 | 27 | 31 | 67 |
| Veteran's Pension | 0 | 3 | 2 | 2 | 3 |
| No pension or income-tested benefit ⁶ | 38,078 | 32,348 | 27,100 | 22,476 | 19,369 |
| Total | 187,841 | 164,413 | 141,200 | 104,360 | 80,869 |

Notes

1 Numbers of job seekers registered in SOLO at the end of June.

2 Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to trainees, and the Independent Youth Benefit.

3 Includes Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.

4 Includes Sickness Benefits and Sickness Benefits – Hardship.

5 This benefit was abolished on 1 April 2004.

6 Includes clients receiving an Unsupported Child's Benefit or an Orphan's Benefit.

table
3.47**Trends in the level of the highest formal educational qualification held by working aged job seekers**

| Highest educational qualification recorded at the end of June | Working aged registered job seekers ¹ | | | | |
|---|--|----------------|----------------|----------------|---------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| No formal educational qualifications | 91,037 | 77,436 | 66,567 | 50,418 | 39,812 |
| School qualifications | 73,951 | 64,865 | 56,325 | 41,131 | 31,686 |
| Post-school qualifications | 20,173 | 21,005 | 17,795 | 12,663 | 9,292 |
| Unknown/unspecified | 2,680 | 1,107 | 513 | 148 | 79 |
| Total | 187,841 | 164,413 | 141,200 | 104,360 | 80,869 |

Note

¹ Numbers of job seekers registered in SOLO at the end of June.table
3.48**Trends in the length of current spells registered as a job seeker, for working aged clients**

| Length of current spell to the end of June | Working aged registered job seekers ¹ | | | | |
|--|--|----------------|----------------|----------------|---------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| Under 6 months | 61,401 | 56,364 | 49,347 | 40,300 | 32,134 |
| 6 months – 2 years | 73,724 | 55,495 | 49,253 | 35,055 | 29,316 |
| 2–4 years | 38,955 | 36,238 | 25,677 | 14,981 | 10,278 |
| Over 4 years | 13,761 | 16,316 | 16,923 | 14,024 | 9,141 |
| Total | 187,841 | 164,413 | 141,200 | 104,360 | 80,869 |

Note

¹ Numbers of working aged job seekers registered in SOLO at the end of June.

From 2001, job seekers have been given the option to refuse to provide ethnic information. This has led to an increase in the number of job seekers for whom ethnicity is unspecified (see [Table 3.49](#)).

table
3.49**Trends in the ethnicity of working aged job seekers**

| Ethnicity recorded at the end of June | Working aged registered job seekers ¹ | | | | |
|---------------------------------------|--|----------------|----------------|----------------|---------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| Māori | 58,761 | 54,600 | 49,255 | 37,152 | 29,198 |
| Pacific peoples | 18,409 | 16,308 | 13,720 | 10,848 | 9,426 |
| Other ethnic groups | 21,607 | 22,091 | 21,018 | 16,120 | 12,949 |
| New Zealand Europeans | 88,946 | 70,084 | 55,579 | 38,615 | 27,956 |
| Not specified | 118 | 1,330 | 1,628 | 1,625 | 1,340 |
| Total | 187,841 | 164,413 | 141,200 | 104,360 | 80,869 |

Note

¹ Numbers of working aged job seekers registered in SOLO at the end of June.

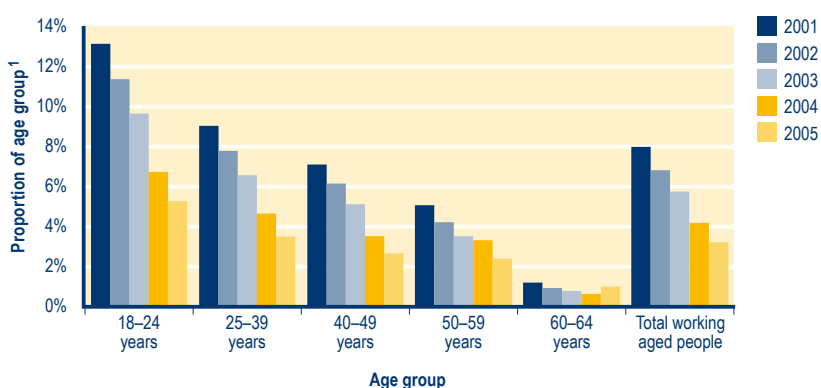
Trends in the proportion of working aged people registered as job seekers

Decreases since 2001 in the proportion of working aged people registered as job seekers (see [Figure 3.12](#)) reflect decreases over the same period in the total number of registered job seekers. These decreases in turn reflect both operational changes in Work and Income and improved economic conditions.

Throughout this period, the proportion of people registered as job seekers in each age group has decreased (see [Figure 3.12](#)). Throughout this period, the proportion of people registered as job seekers has decreased with age (see [Figure 3.12](#)). This reflects both the increasing ease of obtaining and retaining paid work as people reach their prime working years, and the exemption of some 60–64 year olds receiving income-tested benefits from a requirement to register as a job seeker.

figure
3.12

Trends in the proportion of working aged people registered as job seekers, by age



Note

¹ Proportion shows:

- number of job seekers in age group registered in SOLO 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 A3.10](#) (Appendix 3) for a summary of the SOLO data underlying [Figure 3.12](#).

Trends in new registrations of job seekers

Decreases since 2000/2001 in the annual number of job seeker registrations (see [Table 3.50](#)) reflects both improved economic conditions and the impact of operational changes in Work and Income. In each year since 2000/2001, virtually all job seeker registrations involved working aged clients (see [Table 3.50](#)).

Of the registrations by working aged job seekers in each year since 2000/2001 (see [Table 3.51](#)):

- between 51% and 53% involved clients who had been registered as a job seeker within the previous 12 months
- between 17% and 22% involved clients who had never previously registered as a job seeker.

table
3.50

Overall trends in the number of new job seeker registrations

| | New job seeker registrations ¹ | | | | |
|----------------------|---|---------------------|---------------------|---------------------|---------------------|
| | 2000/2001 Number | 2001/2002 Number | 2002/2003 Number | 2003/2004 Number | 2004/2005 Number |
| Working aged clients | 270,087 | 262,621 | 233,505 | 195,845 | 154,938 |
| Other clients | 13,420 | 11,589 | 11,530 | 10,791 | 7,829 |
| Total | 283,507 | 274,210 | 245,035 | 206,636 | 162,767 |

Note

¹ Numbers of job seeker registrations recorded in SOLO in years ended June.

table
3.51**Trends in the length of periods since newly registered working aged job seekers were last enrolled as a job seeker**

| Period since client was last enrolled as a job seeker | New registrations of working aged job seekers ¹ | | | | |
|---|--|---------------------|---------------------|---------------------|---------------------|
| | 2000/2001 Number | 2001/2002 Number | 2002/2003 Number | 2003/2004 Number | 2004/2005 Number |
| Under 6 months | 109,808 | 105,637 | 92,223 | 73,892 | 56,118 |
| 6–12 months | 33,987 | 35,245 | 31,087 | 26,495 | 22,320 |
| 12–18 months | 13,820 | 16,480 | 14,612 | 13,205 | 11,002 |
| 18 months – 2 years | 9,334 | 10,564 | 10,877 | 9,814 | 8,027 |
| 2–4 years | 20,102 | 18,759 | 19,507 | 20,609 | 16,895 |
| Over 4 years | 22,678 | 19,877 | 17,112 | 15,296 | 14,022 |
| Had never previously registered as a job seeker | 60,358 | 56,059 | 48,087 | 36,534 | 26,554 |
| Total | 270,087 | 262,621 | 233,505 | 195,845 | 154,938 |

Note

1 Numbers of new registrations by working aged job seekers recorded in SOLO during years ended June.

Trends in numbers of deregistrations of job seekers

The number of deregistrations of job seekers each year has decreased since 2000/2001 (see [Table 3.52](#)), reflecting decreases in the number of registered job seekers. In each year over this period, virtually all job seeker deregistrations have involved working aged clients (see [Table 3.52](#)).

table
3.52**Overall trends in the number of deregistrations of job seekers**

| | Deregistrations of job seekers ¹ | | | | |
|--------------------------|---|---------------------|---------------------|---------------------|---------------------|
| | 2000/2001 Number | 2001/2002 Number | 2002/2003 Number | 2003/2004 Number | 2004/2005 Number |
| Working aged job seekers | 312,329 | 289,025 | 260,514 | 235,868 | 180,589 |
| Other job seekers | 10,196 | 9,374 | 8,970 | 8,706 | 6,267 |
| Total | 322,525 | 298,399 | 269,484 | 244,574 | 186,856 |

Note

1 Numbers of deregistrations of job seekers recorded in SOLO during years ended June.

Of the deregistrations of working aged job seekers each year since 2000/2001 (see [Table 3.53](#)):

- an increasing proportion involved clients leaving the labour market (eg entering full-time study or leaving New Zealand) (40% in 2004/2005, compared with 26% in 2000/2001)
- a decreasing proportion involved clients losing contact with Work and Income (16% in 2004/2005, compared with 37% in 2000/2001) (which reflects operational changes, including an increased emphasis on the case management of job seekers).

In each year since 2001/2002, between 37% and 40% of job seeker deregistrations have involved clients entering paid work (see [Table 3.53](#)).

table
3.53**Trends in the reason for deregistrations of working aged job seekers**

| Reason for deregistration | Deregistrations of working aged job seekers ¹ | | | | |
|---------------------------|--|---------------------|---------------------|---------------------|---------------------|
| | 2000/2001 Number | 2001/2002 Number | 2002/2003 Number | 2003/2004 Number | 2004/2005 Number |
| Entered paid work | 102,135 | 106,572 | 95,051 | 93,509 | 69,209 |
| Entered training | 14,485 | 13,070 | 11,998 | 12,502 | 9,322 |
| Left labour market | 80,288 | 80,503 | 77,001 | 80,442 | 73,029 |
| Lost contact | 115,300 | 88,776 | 76,355 | 49,330 | 29,029 |
| Other | 121 | 104 | 109 | 85 | 0 |
| Total | 312,329 | 289,025 | 260,514 | 235,868 | 180,589 |

Note

¹ Numbers of deregistrations of working aged job seekers recorded in SOLO during years ended June.

Case management initiatives targeted to job seekers

During the 2003/2004 financial year, a number of initiatives were introduced that changed the ways Work and Income case managers deal with registered job seekers. These initiatives aimed to help a number of groups of Work and Income clients, including:

- people with disabilities
- long-term Sickness Benefit and Invalid's Benefit recipients
- mature job seekers
- youth
- people who have been made redundant
- sole parents
- people living in rural and remote locations
- the very long-term unemployed.

These initiatives included:

- targeting clients who had been receiving an Unemployment Benefit for eight years or more for an in-depth vocational assessment and development of realistic employment options
- enabling job seekers who have the skills and a desire to work, but who remain unemployed or fail to retain appropriate employment, to access one-on-one employment coaching (clients will receive this coaching as they seek employment and for a period of time after they gain employment)
- establishing a job partnership with industry whereby clients can be referred to industry-specific training (this partnership provides an assurance that clients completing the training will be placed in full-time paid work in the industry concerned)
- making focused case management available to 45–59 year olds receiving an Unemployment Benefit (this aims to ensure that mature job seekers receive appropriate levels of support and specialised assistance, including focused work brokerage, capability assessments, and work broker profiling services)
- enabling clients living in rural and remote areas where Work and Income has had limited presence to make face-to-face contact with Work and Income staff through mobile employment services (clients will be supported in finding ways to remain in, or gain access to, areas offering opportunities for paid work)
- making sole parents transitioning from benefits to paid employment eligible for flexible and specialised employment assistance focused on their needs (this assistance will be available both when clients are seeking work and for a time after they take up paid work)
- ensuring work-tested clients are clear about Government expectations about meeting the work test (clients may fail the work test when they move to an area with low employment opportunities, or when they either refuse to take or fail a pre-employment drug test).

From January 2004, clients receiving a sickness-related benefit have been able to access pilot programmes aimed at helping clients to:

- set goals for their future
- develop individual plans addressing their needs, strengths, barriers and key issues.

Transition to Work assistance

Transition to Work assistance is paid in order to assist clients to:

- make a successful transition 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:

- Work Start Grant
- New Employment Transition (NET) Grant
- Seasonal Work Assistance
- Pathways Payment.

Eligibility for Transition to Work assistance

Work Start Grant

A Work Start Grant meets the essential costs of taking up paid employment or attending a job interview. These grants are available to clients who would not be able to enter paid employment or attend a job interview without assistance to meet the essential costs of doing so.

To receive a Work Start Grant, clients must:

- be aged 16 years of age or over
- have a verified job interview for a position involving at least 15 hours of work per week, or have a verified job offer involving at least 15 hours of work per week (excluding self-employment)
- 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 Work Start Grant.

Residency, income and cash asset tests apply.

A maximum of \$250 worth of Work Start Grants is available in any 52-week period, except where the client receives a Work Start Grant for relocation, safety equipment or bridging finance when up to \$500 is available. Work Start Grants are non-taxable and non-recoverable.

From 5 March 2004, the eligibility criteria for Work Start Grants were changed to preclude grants to clients taking up work in the sex industry.

New Employment Transition Grant

A New Employment Transition Grant is available to clients with one or more dependent children during the first six months that their benefit is stopped due to employment. To receive a New Employment Transition Grant, these clients must be unable to work because:

- the client, their partner (if any) or their dependent child becomes sick and:
 - no paid sick leave is available, or
 - the client has exhausted their entitlement to paid sick leave
- there is a breakdown in childcare arrangements and:
 - no paid leave (including paid annual leave) is available for this purpose, or
 - the client has exhausted their entitlement to paid leave (including their entitlement to paid annual leave).

Residency and cash asset tests apply. Clients in self-employment must also declare that:

- they have been unable to be involved in their business over the period because of their illness, the illness of their partner 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.

The maximum daily rate of New Employment Transition Grants is limited to the lesser of:

- the actual loss of gross income
- \$54.00 per day (as at 1 April 2005).

A total of no more than \$540.00 in New Employment Transition Grants may be paid to a client within the six-month qualifying period. New Employment Transition Grants are non-taxable and non-recoverable.

Seasonal Work Assistance

Seasonal Work Assistance is available to clients during the first six months after their benefit is stopped because they began seasonal horticultural work. To receive Seasonal Work Assistance, clients must have lost income through being unable to work because of adverse weather conditions.

Residency, income and cash asset tests apply. Seasonal Work Assistance is only available to clients undertaking work in a list of horticultural industries approved by MSD's Chief Executive. At the end of June 2005, Seasonal Work Assistance was available to people working in the fruit, vegetable, wine, flower, hops, hemp, tobacco, and nursery plant industries.

The amount of Seasonal Work Assistance payable depends on the client's family circumstances and on the actual net income lost during the week. The amount of Seasonal Work Assistance to be paid per week is the lesser of the actual net income lost for the week or the maximum weekly payment the client may be paid. The maximum weekly payments of Seasonal Work Assistance clients may receive as at 1 April 2005 are shown in **Table 3.54** below.

table
3.54

Maximum rates of Seasonal Work Assistance payable (payable at 1 April 2005)

| Hours of work lost (over week) | Maximum weekly payment | |
|--------------------------------|------------------------|---|
| | Single person | Married person, person in civil union, or sole parent |
| 1–8 hours | \$35.00 | \$65.00 |
| 9–16 hours | \$70.00 | \$130.00 |
| 17–24 hours | \$105.00 | \$195.00 |
| 25–32 hours | \$140.00 | \$260.00 |
| 33–40 hours | \$175.00 | \$325.00 |
| Over 40 hours | \$175.00 | \$325.00 |

A total of no more than \$650.00 in Seasonal Work Assistance may be paid to a client within the six-month qualifying period. Seasonal Work Assistance is non-taxable and non-recoverable.

Pathways Payment

A Pathways Payment is a one-off lump sum payment to assist clients entering paid employment with the living costs encountered between the cancellation of the benefit and their receipt of:

- their first wage or salary payment, or
- their first payment as a self-employed person.

To receive a Pathways Payment, a client or their spouse must:

- cancel an income-tested 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 income-tested benefits for a continuous period of 12 months or more prior to entering paid employment.

If a client with a debt to Work and Income receives a Pathways Payment to start paid employment, their debt repayment is suspended for a period of three months.

The Pathways Payment is equal to two weeks' payment (after tax) of the benefit that was cancelled, paid at the rate received in the week before the benefit was cancelled. Pathways Payments are:

- non-taxable
- non-recoverable
- not subject to income tests or asset tests.

From 5 March 2004, the eligibility criteria for a Pathways Payment were changed to preclude grants to clients taking up work in the sex industry.

Trends in payments of Transition to Work assistance

Please note that some clients may have received more than one payment of Transition to Work assistance during the same financial year.

Trends in the number of clients receiving Transition to Work assistance reflect a combination of:

- trends in the number of job seekers leaving the register to enter paid work (this number has decreased, in line with decreases in the numbers of registered job seekers)
- the emphasis that Work and Income has placed on assisting clients to obtain and retain paid work (there has been increased operational emphasis on this in recent years).

Trends in the number of Work Start Grants provided

The number of Work Start Grants provided each year has fluctuated since 2000/2001 (see [Table 3.55](#)). Since 2000/2001, between 70% and 75% of the Work Start Grants provided each year have been to non-students, and have met work placement costs (see [Table 3.55](#)).

table
3.55

Trends in the type of expenditure met by Work Start Grants provided

| Type of expenditure and client group | Work Start Grants provided ¹ | | | | |
|--|---|---------------------|---------------------|---------------------|---------------------|
| | 2000/2001 Number | 2001/2002 Number | 2002/2003 Number | 2003/2004 Number | 2004/2005 Number |
| Bridging Finance – Non-student | 6,533 | 11,373 | 7,354 | 7,994 | 5,974 |
| Job Search Costs – Non-student | 10,713 | 10,881 | 8,478 | 8,313 | 6,462 |
| Work Placement Costs – Non-student | 43,153 | 53,738 | 43,904 | 47,231 | 40,270 |
| Bridging Finance – Student ² | 0 | 128 | 74 | 71 | 57 |
| Job Search Costs – Student ² | 0 | 104 | 122 | 73 | 58 |
| Work Placement Costs – Student ² | 0 | 511 | 599 | 686 | 676 |
| Total | 60,399 | 76,735 | 60,531 | 64,368 | 53,497 |

Notes

- ¹ Numbers of Work Start Grants recorded in SWIFTT during years ended June.
- ² Work Start Grants were not available to students before 2001/2002.

Trends in the number of New Employment Transition Grants provided

The number of New Employment Transition Grants provided each year has fluctuated since 2000/2001 (see [Table 3.56](#)).

table
3.56

Trends in the number of New Employment Transition Grants provided

| | New Employment Transition Grants provided ¹ | | | | |
|--------------|--|---------------------|---------------------|---------------------|---------------------|
| | 2000/2001 Number | 2001/2002 Number | 2002/2003 Number | 2003/2004 Number | 2004/2005 Number |
| Total | 396 | 530 | 397 | 362 | 569 |

Note

- ¹ Numbers 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 made each year has fluctuated over the last three years (see [Table 3.57](#)). As well as Work and Income's increased operational emphasis on helping clients retain paid work, and lower numbers of job seekers entering paid work, this reflects the impact of stormy weather patterns on the availability of opportunities to undertake seasonal work.

table
3.57

Trends in the number of Seasonal Work Assistance payments provided

| | Seasonal Work Assistance payments provided ¹ | | |
|-------|---|---------------------|---------------------|
| | 2002/2003 Number | 2003/2004 Number | 2004/2005 Number |
| Total | 1,472 | 2,890 | 1,878 |

Note

¹ Numbers of Seasonal Work Assistance payments made in years ended June.

Trends in the number of Pathways Payments made

The number of Pathways Payments made each year has increased between 2002/2003 and 2004/2005 (see [Table 3.58](#)), reflecting the increased Work and Income emphasis on assisting clients to retain paid employment. Since 2002/2003, the proportion of Pathways Payments provided to clients who ceased receiving (see [Table 3.58](#)):

- a carer's benefit has increased (from 64% to 74%)
- an unemployment-related benefit has decreased (from 31% to 19%).

This reflects changes in the numbers of carer's benefits and unemployment-related benefits cancelled because the client entered paid work.

table
3.58

Trends in the number of Pathways Payments provided

| Type of income-tested benefit cancelled before receiving a Pathways Payment | Pathways Payments provided ¹ | | |
|---|---|---------------------|---------------------|
| | 2002/2003 Number | 2003/2004 Number | 2004/2005 Number |
| Unemployment-related benefits ² | 1,675 | 1,736 | 1,311 |
| Carer's benefits ³ | 3,410 | 4,231 | 5,021 |
| Sickness-related benefits ⁴ | 139 | 135 | 185 |
| Invalid's Benefit | 60 | 99 | 147 |
| Widow's Benefit | 52 | 52 | 60 |
| Emergency Benefit | 13 | 16 | 34 |
| No income-tested benefit | 11 | 5 | 0 |
| Total | 5,360 | 6,274 | 6,758 |

Notes

¹ Numbers of Pathways Payments made in years ended June.

² Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to those in training, and Independent Youth Benefits.

³ Includes Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefit – Women Alone, and Emergency Maintenance Allowances.

⁴ Includes Sickness Benefits and Sickness Benefits – Hardship.

Trends in expenditure on Transition to Work assistance

Trends in expenditure on Work Start Grants

Fluctuations in expenditure on Work Start Grants since 2000/2001 (see [Table 3.59](#)) largely reflect fluctuations in the number of Work Start Grants paid. The average amount of each Work Start Grant decreased slightly between 2001/2002 and 2003/2004, with a more pronounced increase over the last year (see [Table 3.59](#)).

table
3.59

Trends in the value of Work Start Grants provided, by expenditure type

| Type of expenditure covered by Work Start Grants, and client group | Expenditure on Work Start Grants ¹ | | | | |
|--|---|------------------|------------------|------------------|------------------|
| | 2000/2001 Amount | 2001/2002 Amount | 2002/2003 Amount | 2003/2004 Amount | 2004/2005 Amount |
| Bridging Finance – Non-student (\$000) | 1,213 | 2,355 | 1,514 | 1,663 | 1,223 |
| Job Search Costs – Non-student (\$000) | 975 | 967 | 732 | 699 | 529 |
| Work Placement Costs – Non-student (\$000) | 5,097 | 6,809 | 5,556 | 5,825 | 4,851 |
| Bridging Finance – Student (\$000) ² | 0 | 28 | 14 | 15 | 11 |
| Job Search Costs – Student (\$000) ² | 0 | 12 | 13 | 8 | 7 |
| Work Placement Costs – Student (\$000) ² | 0 | 65 | 76 | 84 | 82 |
| Total (\$000) | 7,285 | 10,235 | 7,906 | 8,294 | 6,703 |
| Average amount per payment (\$) | 121 | 133 | 131 | 129 | 125 |

Notes

- Expenditure on Work Start Grants recorded in SWIFTT during the year ended June.
- Work Start Grants were not available to students before 2001/2002.

Trends in expenditure on New Employment Transition Grants

Fluctuations since 2000/2001 in expenditure on New Employment Transition Grants reflect changes in the average value of the grants paid as well as fluctuations in the number of grants made (see [Table 3.60](#)).

table
3.60

Trends in expenditure on New Employment Transition Grants

| | Expenditure on New Employment Transition Grants | | | | |
|--|---|------------------|------------------|------------------|------------------|
| | 2000/2001 Amount | 2001/2002 Amount | 2002/2003 Amount | 2003/2004 Amount | 2004/2005 Amount |
| Total (\$000)¹ | 70 | 100 | 85 | 72 | 125 |
| Average amount per payment (\$) | 177 | 188 | 213 | 200 | 220 |

Note

- 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 has fluctuated between 2002/2003 and 2004/2005 (see [Table 3.61](#)). This largely reflects changes in the number of Seasonal Work Assistance payments made, as the average value of payments has shown comparatively little change over the same period (see [Table 3.61](#)).

**table
3.61**

Trends in expenditure on Seasonal Work Assistance payments

| | Expenditure on Seasonal Work Assistance payments | | |
|---------------------------------|--|---------------------|---------------------|
| | 2002/2003 Amount | 2003/2004 Amount | 2004/2005 Amount |
| Total (\$000) ¹ | 208 | 388 | 278 |
| Average amount per payment (\$) | 141 | 134 | 148 |

Note

¹ Expenditure on Seasonal Work Assistance payments during years ended June.

Transitional Retirement Benefit

Between 1 April 1994 and 31 March 2004, a Transitional Retirement Benefit was available to people who:

- were retired or had low incomes
- had not yet reached the qualifying age for New Zealand Superannuation.

Transitional Retirement Benefits were introduced to provide financial assistance to people who were:

- retired or approaching retirement
- affected by the increase in the age of eligibility for New Zealand Superannuation from 60 years to 61 on 1 April 1992, followed by incremental increases in the age of eligibility for New Zealand Superannuation that occurred between 1 April 1993 and 1 April 2001.

The age of eligibility for a Transitional Retirement Benefit was raised concurrently with the age of eligibility for New Zealand Superannuation, rising three months every six months. Transitional Retirement Benefits were abolished on 1 April 2004, when the eligibility age for these benefits reached 65 years.

For more information about eligibility for, and the use of, Transitional Retirement Benefits, see *The Statistical Report for the Year Ending June 2004*.

New Zealand Superannuation

New Zealand Superannuation provides a source of income to people who have reached a qualifying age and meet a residency qualification.

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.

To meet residency requirements for New Zealand Superannuation, the client must have lived in New Zealand for 10 years since they were aged 20 years, of which five years must have been since they were aged 50 years. People who have reached the qualifying age for New Zealand Superannuation but who do not meet these residency requirements may be eligible to receive an Emergency Benefit if hardship exists.

New Zealand Superannuation may be paid to couples in which only one partner personally qualifies for New Zealand Superannuation. In these cases, the partner or spouse who does not qualify for New Zealand Superannuation in their own right is referred to as a “non-qualified spouse”. Where one partner or spouse does not qualify for New Zealand Superannuation while the other does, there are two options available:

- the qualified spouse only may receive payment at half the married couple rate of the pension
- both the qualified and the non-qualified spouse may receive the non-qualified spouse rate of the pension, subject to an income test.

Clients 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 New Zealand Superannuation at the rate appropriate to their financial circumstances.

Trends in the number of clients receiving New Zealand Superannuation

The number of clients receiving New Zealand Superannuation has increased since 2001 (see [Table 3.62](#)). This reflects the impact of the ageing of the population, combined with:

- fixing of the eligibility age at 65 years from 1 April 2001
- relatively constant cessations of New Zealand Superannuation over the period 2001–2005.

Since 2001, between 43% and 45% of New Zealand Superannuation recipients have been aged 75 years or over, while around 52% have been aged 65–74 years (see [Table 3.62](#)).

table
3.62

Trends in the age of clients receiving New Zealand Superannuation

| Age of client at the end of June | Clients receiving New Zealand Superannuation ¹ | | | | |
|----------------------------------|---|----------------|----------------|----------------|----------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| Under 60 years ² | 5,293 | 5,038 | 4,878 | 4,507 | 4,205 |
| 60–64 years ² | 14,933 | 14,140 | 13,617 | 12,815 | 11,971 |
| 65–69 years | 119,719 | 120,489 | 123,485 | 127,786 | 135,322 |
| 70–74 years | 112,963 | 112,741 | 112,069 | 111,757 | 111,329 |
| 75–79 years | 89,363 | 90,434 | 92,571 | 94,098 | 95,021 |
| 80 years or over | 104,406 | 107,593 | 110,658 | 113,661 | 117,367 |
| Unspecified | 29 | 0 | 0 | 0 | 0 |
| Total | 446,706 | 450,435 | 457,278 | 464,624 | 475,215 |

Notes

- ¹ Numbers 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 are non-qualified spouses.

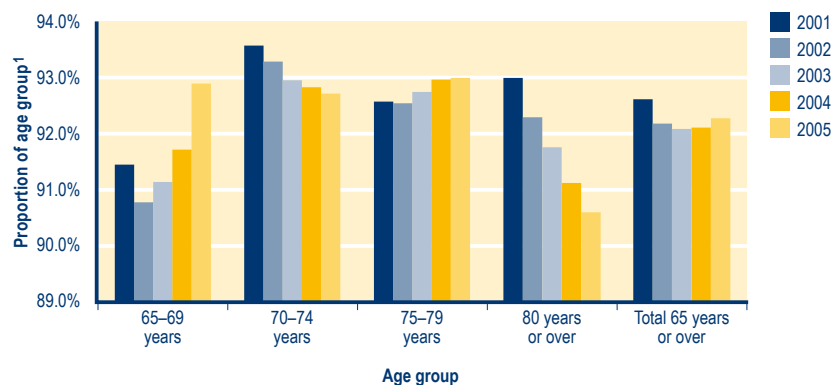
[Table 7.1](#) (see Section 7) shows trends since 1940 in the number of clients receiving New Zealand Superannuation.

Trends in the proportion of people aged 65 years or over receiving New Zealand Superannuation

Since 2001, around 92% of people aged 65 years or over have been receiving New Zealand Superannuation (see [Figure 3.13](#)). Decreased use of New Zealand Superannuation through this period among people aged 80 years or over, along with increasing use among people aged 75–79 years, appears associated with patterns in use of Veteran’s Pensions.

figure
3.13

Trends in the proportion of people aged 65 years or over receiving New Zealand Superannuation, by age



Note

- 1 Proportion shows:
- numbers of clients in age group receiving New Zealand Superannuation, divided by
 - Statistics New Zealand final estimate of the resident population in age group at the end of June.

See [Table A3.11](#) (Appendix 3) for a summary of the SWIFTT data underlying [Figure 3.13](#).

Trends in New Zealand Superannuation pensions granted

The number of New Zealand Superannuation pensions granted each year has increased steadily since 2001/2002, following a rapid increase between 2000/2001 and 2001/2002 (see [Table 3.63](#)). This reflects the impacts of an ageing population and the fixing at 1 April 2001 of the age of eligibility for New Zealand Superannuation.

Since 2001/2002, the proportion of New Zealand Superannuation pensions granted each year which were provided to (see [Table 3.63](#)):

- clients who had not received a pension or income-tested benefit within the previous four years has increased (from 67% to 74%)
- clients transferring from another pension, benefit or district has decreased (from 28% to 21%).

table
3.63**Trends in the length of periods since clients granted New Zealand Superannuation last received any pension or income-tested benefit**

| Period since pension or income-tested benefit last received | New Zealand Superannuation pensions granted ¹ | | | | |
|---|--|---------------------|---------------------|---------------------|---------------------|
| | 2000/2001 Number | 2001/2002 Number | 2002/2003 Number | 2003/2004 Number | 2004/2005 Number |
| None (clients transferring from another pension or district, or from an income-tested benefit) ² | 4,981 | 9,031 | 8,826 | 8,216 | 8,083 |
| Under 6 months | 160 | 260 | 280 | 375 | 358 |
| 6–12 months | 182 | 229 | 363 | 361 | 309 |
| 12–18 months | 136 | 211 | 332 | 268 | 254 |
| 18 months – 2 years | 110 | 220 | 267 | 240 | 254 |
| 2–4 years | 444 | 761 | 736 | 786 | 897 |
| Had not received a pension or income-tested benefit in previous four years | 13,186 | 21,769 | 23,779 | 25,312 | 28,854 |
| Total | 19,199 | 32,481 | 34,583 | 35,558 | 39,009 |

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 pensions between districts. Most transfers between districts are accomplished without cancelling and re-granting pensions.

Trends in expenditure on New Zealand Superannuation

Expenditure on New Zealand Superannuation reflects the combined effects of the numbers receiving New Zealand Superannuation and adjustments to the rate at which New Zealand Superannuation is paid. Between 1991/1992 and 1999/2000, expenditure on New Zealand Superannuation showed a cyclical pattern (see [Table 3.64](#)), reflecting a combination of:

- incremental increases in the age of eligibility for New Zealand Superannuation from 1 April 1992
- population ageing.

Adjustments to the rate at which New Zealand Superannuation is paid, combined with increased expenditure on Disability Allowances, offset the effect of decreasing numbers for much of this period (see [Table 3.64](#)).

Rapid increases since 2000/2001 in expenditure on New Zealand Superannuation (see [Table 3.64](#)) reflect a combination of increases in:

- numbers of clients receiving New Zealand Superannuation following the fixing of the age of eligibility on 1 April 2001
- the rate at which New Zealand Superannuation is paid.

table
3.64

Trends in annual expenditure on New Zealand Superannuation

| Year ended 30 June | Expenditure on New Zealand Superannuation ^{1,2,3} (\$m) |
|--------------------|--|
| 1991/1992 | 5,153 |
| 1992/1993 | 5,070 |
| 1993/1994 | 5,045 |
| 1994/1995 | 5,083 |
| 1995/1996 | 5,158 |
| 1996/1997 | 5,187 |
| 1997/1998 | 5,263 |
| 1998/1999 | 5,253 |
| 1999/2000 | 5,228 |
| 2000/2001 | 5,457 |
| 2001/2002 | 5,638 |
| 2002/2003 | 5,831 |
| 2003/2004 | 6,085 |
| 2004/2005 | 6,307 |

Notes

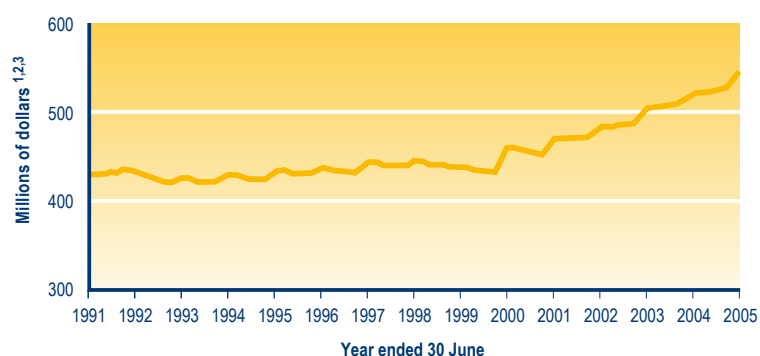
- 1 Expenditure on New Zealand Superannuation in years ended June, including expenditure on supplementary benefits provided to recipients of New Zealand Superannuation.
- 2 Expenditure is gross of taxation, adjusted to payment periods based on a standard 30-day month, and smoothed using a three-month 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.

In general, monthly expenditure on New Zealand Superannuation (see [Figure 3.14](#)) shows a strong relationship to the number of people receiving New Zealand Superannuation pensions and to adjustments in the rate of New Zealand Superannuation paid.

Seasonal peaks in New Zealand Superannuation expenditure during the second and fourth quarters of each financial year between 1992/1993 and 2000/2001 (see [Figure 3.14](#)) reflect the impact of a surge of New Zealand Superannuation pensions being granted in the quarters beginning April and October each year (as each incremental increase in eligibility age took effect). These peaks have not been in evidence over the last four years because the age of eligibility for New Zealand Superannuation has been fixed at 65 years since 1 April 2001.

figure
3.14

Trends in 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.

Table 7.2 (see Section 7) shows trends since 1940 in expenditure on New Zealand Superannuation, including expenditure on supplementary benefits paid to people receiving New Zealand Superannuation. Please note that expenditure on New Zealand Superannuation since 1996 shown in **Table 7.2** reflects deductions for:

- debts established
- clients receiving overseas pensions as well as New Zealand Superannuation.

The data in **Table 3.64** and **Figure 3.14** do not reflect these deductions.

Veteran's Pension

Veteran's Pensions were introduced on 1 April 1990 and replaced the former War Veteran's Allowance, War Pension, War Service Pension and Economic Pension. A Veteran's Pension is not income-tested for qualified recipients aged 65 years or over, but is taxable. If a non-qualified spouse is receiving a Veteran's Pension along with their qualified spouse, this is, however, subject to an income test. Qualified recipients aged under 65 years who have no spouse included in their Veteran's Pension are subject to a personal earnings test only.

The rates of payment for a Veteran's Pension are the same as for New Zealand Superannuation. A policy change was introduced in 1992 that allowed veterans receiving New Zealand Superannuation to transfer to a Veteran's Pension.

Because widows of veterans are entitled to continue to receive a Veteran's Pension, there are slightly more women than men receiving a Veteran's Pension. From 1 July 1999, the funding of the Veteran's Pension was transferred from Vote: Work and Income to Vote: Veteran's Affairs: Social Development.

To qualify for a Veteran's Pension, clients must be ex-service personnel who served in a war or emergency and:

- have reached the qualifying age for New Zealand Superannuation and receive a War Disablement Pension of at least 70%, or
- have not reached the qualifying age for New Zealand Superannuation and have a disability from any cause that means they are:
 - permanently unable to work, or
 - unable to work for a substantial period.

Trends in the number of clients receiving a Veteran's Pension

The number of clients receiving a Veteran's Pension has increased since 2001 (see **Table 3.65**). Since 2001, the proportion of Veteran's Pension recipients who were aged 80 years or over has increased (from 45% to 59%), while the proportion aged 70–79 years has decreased (from 43% to 28%) (see **Table 3.65**). This reflects the ageing of World War Two veterans and their spouses, who are the largest group of Veteran's Pension recipients.

table
3.65

Trends in the age of clients receiving a Veteran's Pension

| Age of client at the end of June | Clients receiving a Veteran's Pension ¹ | | | | |
|----------------------------------|--|----------------|----------------|----------------|----------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| Under 60 years | 325 | 351 | 350 | 365 | 352 |
| 60–64 years | 192 | 243 | 278 | 312 | 357 |
| 65–69 years | 362 | 395 | 415 | 452 | 478 |
| 70–74 years | 893 | 773 | 753 | 779 | 776 |
| 75–79 years | 2,316 | 2,114 | 1,887 | 1,793 | 1,670 |
| 80 years or over | 3,336 | 3,711 | 4,189 | 4,764 | 5,238 |
| Unspecified | 1 | 0 | 0 | 0 | 0 |
| Total | 7,425 | 7,587 | 7,872 | 8,465 | 8,871 |

Note

¹ Numbers of clients recorded in SWIFFT as receiving a Veteran's Pension at the end of June.

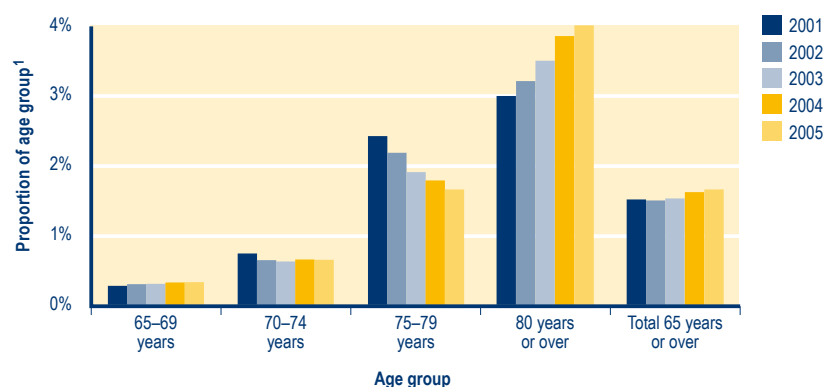
Table 7.1 (see Section 7) shows trends since 1990 in the number of clients receiving a Veteran's Pension.

Trends in the proportion of people aged 65 years or over receiving a Veteran's Pension

Since 2001, around 1% of people aged 65 years or over have been receiving a Veteran's Pension (see **Figure 3.15**). Increases over this period in the proportion of people aged 80 years or over who are receiving a Veteran's Pension, and decreases in the proportion aged 75–79 years (see **Figure 3.15**), largely reflect the ageing of World War Two veterans and their spouses or partners.

figure
3.15

Trends in the proportion of people aged 65 years or over receiving a Veteran's Pension, by age



Note

- ¹ Proportion shows:
- numbers of clients in age group recorded in SWIFTT as receiving a Veteran's Pension 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 A3.12** (Appendix 3) for a summary of the SWIFTT data underlying **Figure 3.15**.

Trends in Veteran's Pensions granted

The number of Veteran's Pensions granted each year decreased slightly between 2003/2004 and 2004/2005, after increasing for the previous three years (see **Table 3.66**). This largely reflects the ageing of veterans and associated patterns in applications for Veteran's Pensions.

Between 80% and 86% of the Veteran's Pensions granted each year since 2000/2001 reflected clients transferring from another benefit, pension or district (see **Table 3.66**). Veteran's Pensions granted after a transfer frequently involved clients transferring from New Zealand Superannuation.

table
3.66**Trends in the length of periods since clients granted a Veteran's Pension last received any pension or income-tested benefit**

| Period since client last received any pension or income-tested benefit | Veteran's Pensions granted ¹ | | | | |
|---|---|---------------------|---------------------|---------------------|---------------------|
| | 2000/2001 Number | 2001/2002 Number | 2002/2003 Number | 2003/2004 Number | 2004/2005 Number |
| None (clients transferring from another pension or district, or from an income-tested benefit) ² | 586 | 651 | 769 | 1,076 | 1,047 |
| Under 6 months | 3 | 7 | 7 | 3 | 7 |
| 6–12 months | 4 | 5 | 4 | 2 | 2 |
| 12–18 months | 2 | 2 | 6 | 5 | 5 |
| 18 months – 2 years | 2 | 2 | 4 | 4 | 4 |
| 2–4 years | 5 | 14 | 7 | 7 | 10 |
| Had not received a pension or income-tested benefit in previous four years | 120 | 136 | 132 | 159 | 168 |
| Total | 722 | 817 | 929 | 1,256 | 1,243 |

Notes

- Numbers of successful applications for Veteran's Pensions recorded in SWIFTT in years ended June.
- Includes only a minority of transfers of pensions between districts. Most transfers between districts are accomplished without cancelling and re-granting pensions.

Trends in expenditure on Veteran's Pensions

Increases since 1991/1992 in annual expenditure on Veteran's Pensions (see [Table 3.67](#)) reflect increases in the number of people receiving a Veteran's Pension and changes in the rate at which Veteran's Pensions are paid.

table
3.67**Trends in annual expenditure on Veteran's Pensions**

| Year ended 30 June | Expenditure on Veteran's Pensions ^{1,2,3} (\$m) |
|-----------------------|--|
| 1991/1992 | 30 |
| 1992/1993 | 47 |
| 1993/1994 | 54 |
| 1994/1995 | 56 |
| 1995/1996 | 59 |
| 1996/1997 | 64 |
| 1997/1998 | 70 |
| 1998/1999 | 72 |
| 1999/2000 | 73 |
| 2000/2001 | 77 |
| 2001/2002 | 83 |
| 2002/2003 | 87 |
| 2003/2004 | 94 |
| 2004/2005 | 103 |

Notes

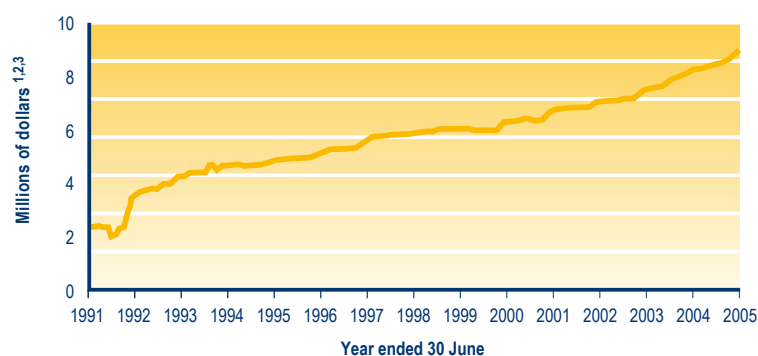
- Expenditure on Veteran's Pensions in years ended June, including expenditure on supplementary benefits provided to clients receiving a Veteran's Pension.
- Expenditure shown is net of taxation, adjusted to payment periods based on a standard 30-day month, and smoothed using a two-month moving average.
- 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.

Relatively little seasonal variation is evident in monthly expenditure on Veteran's Pensions. Sharp increases in Veteran's Pension expenditure in April 2000 and April 2001 (see [Figure 3.16](#)) reflect:

- a decision to increase the payment rate by more than the CPI (in 2000)
- a larger than usual adjustment to the payment rate reflecting a large CPI increase (in 2001).

figure
3.16

Trends in monthly expenditure on Veteran's Pensions



Notes

- 1 Monthly expenditure on Veteran's Pensions, 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.

[Table 7.2](#) (see Section 7) shows trends since 1990 in expenditure on Veteran's Pensions, and on supplementary benefits paid to clients receiving Veteran's Pensions. Please note that expenditure on Veteran's Pensions since 1996 shown in [Table 7.2](#) reflects deductions for:

- debts established
- client receiving overseas pensions as well as Veteran's Pensions.

These deductions are not reflected in the data shown in [Table 3.67](#) and [Figure 3.16](#).

Emergency Benefit

An Emergency Benefit is available to people who are suffering hardship, are unable to earn enough income for themselves (and any family), and are ineligible to receive any other benefit.

In considering whether a client is eligible to receive an Emergency Benefit, the following factors are taken into account:

- why clients cannot receive another benefit (eg age, medical requirements, residency requirements, job search 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 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).

Income and asset tests apply.

Trends in the number of clients receiving an Emergency Benefit

The number of Emergency Benefit recipients has risen over the last three years, after decreasing between 2001 and 2002. Since 2001, the proportion of Emergency Benefit recipients who were working aged has decreased from 61% to 39% (see [Table 3.68](#)), with virtually all of the remainder being aged 65 years or over.

Of the working aged Emergency Benefit recipients each year since 2001:

- between 37% and 42% were aged 50–64 years, while around 30% were aged 25–39 years (see [Table 3.68](#))
- an increasing proportion received their benefit for less than six months (32% in 2005, compared with 25% in 2001) (see [Table 3.69](#)).

Since 2002, between 65% and 69% of Emergency Benefit recipients have received their benefit for less than two years (see [Table 3.69](#)).

table
3.68

Trends in the age of clients receiving an Emergency Benefit

| Age of client at the end of June | Working aged clients receiving an Emergency Benefit ¹ | | | | |
|----------------------------------|--|----------------|----------------|----------------|----------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| 18–19 years | 142 | 110 | 150 | 151 | 116 |
| 20–24 years | 449 | 295 | 408 | 352 | 309 |
| 25–29 years | 534 | 364 | 413 | 368 | 335 |
| 30–34 years | 649 | 438 | 480 | 422 | 334 |
| 35–39 years | 601 | 391 | 450 | 450 | 368 |
| 40–44 years | 578 | 388 | 429 | 397 | 358 |
| 45–49 years | 516 | 371 | 469 | 446 | 386 |
| 50–54 years | 558 | 394 | 391 | 397 | 385 |
| 55–59 years | 656 | 421 | 398 | 412 | 398 |
| 60–64 years | 1,244 | 805 | 788 | 734 | 489 |
| Total working aged clients | 5,927 | 3,977 | 4,376 | 4,129 | 3,478 |
| | Other clients receiving an Emergency Benefit ¹ | | | | |
| Total other clients | 3,795 | 3,833 | 4,352 | 4,818 | 5,505 |
| | All clients receiving an Emergency Benefit ¹ | | | | |
| Total all clients | 9,722 | 7,810 | 8,728 | 8,947 | 8,983 |

Note

¹ Numbers of clients in age groups recorded in SWIFTT as receiving an Emergency Benefit at the end of June.

table
3.69

Trends in the length of periods working aged clients have received an Emergency Benefit

| Length of period receiving an Emergency Benefit to the end of June | Working aged clients receiving an Emergency Benefit ¹ | | | | |
|--|--|----------------|----------------|----------------|----------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| Under 6 months | 1,488 | 992 | 1,456 | 1,389 | 1,122 |
| 6 months – 2 years | 2,033 | 1,578 | 1,501 | 1,392 | 1,211 |
| 2–4 years | 1,465 | 783 | 793 | 767 | 653 |
| Over 4 years | 941 | 624 | 626 | 581 | 492 |
| Total | 5,927 | 3,977 | 4,376 | 4,129 | 3,478 |

Note

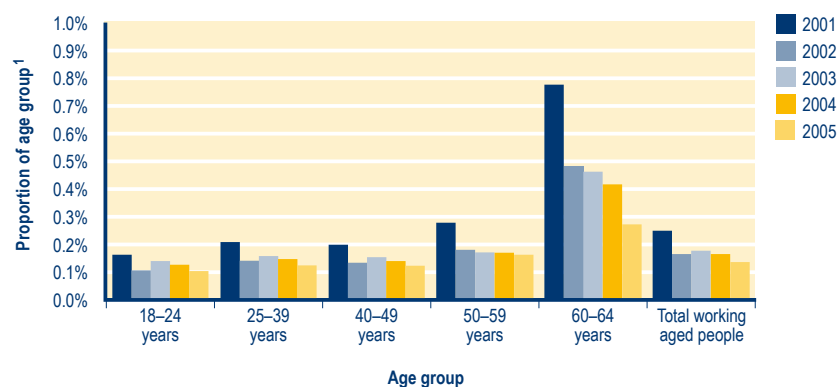
¹ Numbers of working aged clients recorded in SWIFTT as receiving an Emergency Benefit at the end of June.

Trends in the proportion of working aged people receiving an Emergency Benefit

Since 2001, around 0.2% of working aged people have received an Emergency Benefit, with a significantly higher proportion of 60–64 year olds than of younger people doing so. In all age groups, however, the proportion receiving an Emergency Benefit was significantly higher in 2001 than in the last four years (see [Figure 3.17](#)). This reflects the increased concentration noted earlier of Emergency Benefit receipt among people aged 65 years or over.

figure
3.17

Trends in the proportion of working aged people receiving an Emergency Benefit, by age



Note

- ¹ Proportion shows:
- number of clients in age group recorded in SWIFTT as receiving an Emergency Benefit 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 A3.13](#) (Appendix 3) for a summary of the SWIFTT data underlying [Figure 3.17](#).

Trends in Emergency Benefits granted

The number of Emergency Benefits granted each year has increased over the last three years. Since 2001, a large majority of the Emergency Benefits granted each year have been provided to working aged clients (see [Table 3.70](#)), with virtually all of the remainder granted to clients aged 65 years or over.

table
3.70

Overall trends in the number of Emergency Benefits granted

| | Emergency Benefits granted ¹ | | | | |
|----------------------|---|---------------------|---------------------|---------------------|---------------------|
| | 2000/2001 Number | 2001/2002 Number | 2002/2003 Number | 2003/2004 Number | 2004/2005 Number |
| Working aged clients | 6,037 | 4,805 | 6,055 | 8,377 | 7,569 |
| Other clients | 1,368 | 1,222 | 1,354 | 1,523 | 1,946 |
| Total | 7,405 | 6,027 | 7,409 | 9,900 | 9,515 |

Note

- ¹ Numbers of successful applications for Emergency Benefits recorded in SWIFTT in years ended June.

Since 2000/2001, the proportion of Emergency Benefits granted to working aged people each year that were provided to clients who had received an income-tested benefit within the previous 12 months has increased (from 36% to 54%). There has been a corresponding decrease in the proportion granted to clients who had not received an income-tested benefit in the previous four years (see [Table 3.71](#)).

table
3.71**Trends in the length of periods since working aged clients granted an Emergency Benefit last received any income-tested benefit**

| Period since client last received any income-tested benefit | Number of Emergency Benefits granted to working aged clients ¹ | | | | |
|---|---|---------------------|---------------------|---------------------|---------------------|
| | 2000/2001 Number | 2001/2002 Number | 2002/2003 Number | 2003/2004 Number | 2004/2005 Number |
| None (clients transferring from another benefit or district) ² | 940 | 942 | 1,218 | 1,843 | 1,337 |
| Under 6 months | 1,735 | 1,380 | 2,288 | 3,375 | 2,993 |
| 6–12 months | 460 | 562 | 610 | 930 | 1,056 |
| 12–18 months | 224 | 149 | 185 | 280 | 302 |
| 18 months – 2 years | 130 | 93 | 145 | 223 | 259 |
| 2–4 years | 241 | 221 | 265 | 373 | 429 |
| Had not received an income-tested benefit in previous four years | 2,307 | 1,458 | 1,344 | 1,353 | 1,193 |
| Total | 6,037 | 4,805 | 6,055 | 8,377 | 7,569 |

Notes

- Numbers of successful applications by working aged clients for Emergency Benefits recorded in SWIFTT in years ended June.
- Includes only a minority of transfers of benefits between districts. Most transfers between districts are accomplished without cancelling and re-granting benefits.

Trends in cancellations of Emergency Benefits

The number of Emergency Benefits cancelled each year increased slightly in the last year, after increasing significantly between 2002/2003 and 2003/2004. Since 2000/2001, a large majority of Emergency Benefit cancellations each year have involved working aged clients (see [Table 3.72](#)).

Of the remainder, virtually all have involved clients aged 65 years or over, with a majority of these clients cancelling their benefit because they left New Zealand.

table
3.72**Overall trends in the number of Emergency Benefits cancelled**

| | Emergency Benefits cancelled ¹ | | | | |
|----------------------|---|---------------------|---------------------|---------------------|---------------------|
| | 2000/2001 Number | 2001/2002 Number | 2002/2003 Number | 2003/2004 Number | 2004/2005 Number |
| Working aged clients | 6,164 | 6,499 | 5,226 | 8,209 | 8,420 |
| Other clients | 1,289 | 1,439 | 1,076 | 1,222 | 1,357 |
| Total | 7,453 | 7,938 | 6,302 | 9,431 | 9,777 |

Note

- Numbers of cancellations of Emergency Benefits recorded in SWIFTT in years ended June.

Since 2001, the proportion of Emergency Benefit cancellations by working aged clients each year that reflect (see [Table 3.73](#)):

- clients entering paid work has increased (from 26% to 46%)
- transfers to another benefit, pension or district has decreased (from 44% to 28%).

Since 2002/2003, there has been a decrease in the proportion of Emergency Benefit cancellations by working aged clients each year which reflect reasons other than entry to paid work, or transfers to another benefit, pension or district (from 34% to 26%) (see [Table 3.73](#)).

table
3.73**Trends in the reasons for cancellation of Emergency Benefits by working aged clients**

| Reason for cancellation | Emergency Benefits cancelled by working aged clients ¹ | | | | |
|--|---|---------------------|---------------------|---------------------|---------------------|
| | 2000/2001 Number | 2001/2002 Number | 2002/2003 Number | 2003/2004 Number | 2004/2005 Number |
| Obtained paid work ² | 1,845 | 1,672 | 1,757 | 3,280 | 3,859 |
| Transferred to another benefit, pension or district ^{3,4} | 2,003 | 2,886 | 1,689 | 2,234 | 2,362 |
| Qualified for New Zealand Superannuation ³ | 0 | 5 | 0 | 4 | 6 |
| Other ² | 2,316 | 1,936 | 1,780 | 2,691 | 2,193 |
| Total | 6,164 | 6,499 | 5,226 | 8,209 | 8,420 |

Notes

- 1 Numbers of Emergency Benefit cancellations by working aged clients recorded in SWIFTT in years ended June.
- 2 Due to recoding of reasons for cancelling income-tested benefits, these figures may not reconcile with those published in previous years.
3. "Transferred to another benefit [or] pension" includes some transfers from income-tested benefits to New Zealand Superannuation. These are additional to the number shown above as "Qualified for New Zealand Superannuation".
- 4 "Transferred to another ... district" represents cancellations undertaken so a client's benefit can be administered from a different Work and Income service centre. These changes may reflect a change of address by the client or an administrative decision by Work and Income. A majority of transfers of benefits between districts are completed without cancelling the client's benefit, and therefore are not included above.

Section 4 **Supplementary benefits and hardship assistance**

Introduction

People with low incomes and few assets may be eligible for supplementary benefits or hardship assistance. This financial assistance is designed to assist clients who have specific costs or who are having difficulty meeting their needs from their usual income.

This section of the report outlines trends in the use and uptake of supplementary benefits and hardship assistance. Eligibility criteria are outlined for each supplementary benefit and each form of hardship assistance. For information about payment rates for key supplementary benefits, see Section 2. Additional information about the income tests applied to recipients of some supplementary benefits is given in Appendix 1.

Supplementary benefits

Most supplementary benefits are paid on an ongoing basis, while some are paid for short periods in response to a specific need (eg childcare costs during school holidays) or as one-off lump sums.

People may receive more than one supplementary benefit, because each supplementary benefit is aimed at assisting with specific costs. In addition, clients may receive payments of some supplementary benefits that cover more than one person in their household (eg payments of the Childcare Subsidy that cover more than one child). Where payments of a supplementary benefit may cover more than one person, this report shows information on the people covered by payments of the supplementary benefit.

The number of supplementary benefits granted is affected by the number of people moving off and on income-tested benefits, because most people receiving supplementary benefits are also receiving income-tested benefits. This makes supplementary benefits granted more likely to be provided to people receiving income-tested benefits that people move off and on frequently (eg unemployment-related benefits) than to people receiving other income-tested benefits.

Accommodation Supplement

An Accommodation Supplement is available to assist people with limited income and limited cash assets to meet their accommodation costs. Assistance is available to help pay rent, board or costs of home ownership. Accommodation Supplements replaced Accommodation Benefits on 1 July 1993.

Housing costs must be over a stated minimum, and income and asset tests must be met. An Accommodation Supplement meets 70% of rent or mortgage costs over an entry threshold, up to a maximum that varies according to region and household size. Accommodation Supplements meet 62% of boarding costs over the relevant entry threshold, up to the regional maximum.

Tenants of Housing New Zealand Corporation (HNZC) properties receive a rental subsidy from HNZC and are not eligible for an Accommodation Supplement.

The Working for Families package increased the income limits for Accommodation Supplements, and also 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 enter paid work, however, their Accommodation Supplement is abated to reflect their income.

From 1 April 2005, the number of Accommodation Supplement areas was increased from three to four, and the maximum level of supplement available in some areas was increased.

Trends in the number of clients receiving an Accommodation Supplement

The number of Accommodation Supplement recipients has increased in the last 12 months, after decreasing between 2001 and 2004 (see [Table 4.1](#)). This reflects a combination of:

- the reduction since 2001 in numbers receiving income-tested benefits
- the introduction of the Working for Families package, which significantly broadened eligibility for Accommodation Supplements among low-income working families.

Of the Accommodation Supplement recipients in each year since 2001 (see [Table 4.1](#)):

- around 30% were receiving a carer's benefit
- a decreasing proportion were receiving an unemployment-related benefit (16% in 2005, compared with 33% in 2001), reflecting reduced use of unemployment-related benefits.

Between 2004 and 2005, the proportion of Accommodation Supplement recipients who were not receiving any pension or income-tested benefit increased (from 9% to 15%). This reflects the impact of extended eligibility for an Accommodation Supplement under the Working for Families package.

table
4.1

Trends in the type of pension or income-tested benefit paid to clients receiving an Accommodation Supplement

| Type of pension or income-tested benefit paid at the end of June | Clients receiving an Accommodation Supplement ¹ | | | | |
|--|--|----------------|----------------|----------------|----------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| Unemployment-related benefits ² | 88,250 | 79,167 | 69,428 | 48,830 | 37,756 |
| Carer's benefits ³ | 77,913 | 77,281 | 77,648 | 77,476 | 75,279 |
| Sickness-related benefits ⁴ | 22,152 | 24,292 | 26,917 | 29,822 | 31,268 |
| Invalid's Benefit | 27,360 | 29,596 | 31,649 | 33,270 | 35,179 |
| Widow's Benefit | 2,572 | 2,572 | 2,502 | 2,495 | 2,497 |
| Transitional Retirement Benefit ⁵ | 1,762 | 938 | 413 | 0 | 0 |
| Emergency Benefit | 6,391 | 5,085 | 5,523 | 5,541 | 5,582 |
| New Zealand Superannuation | 14,733 | 16,068 | 16,044 | 17,102 | 18,570 |
| Veteran's Pension | 205 | 245 | 250 | 281 | 325 |
| No pension or income-tested benefit ⁶ | 24,544 | 22,790 | 21,567 | 21,878 | 36,156 |
| Total | 265,882 | 258,034 | 251,941 | 236,695 | 242,612 |

Notes

- 1 Numbers of clients recorded in SWIFTT as receiving an Accommodation Supplement at the end of June.
- 2 Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to trainees, and Independent Youth Benefits.
- 3 Includes Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.
- 4 Includes Sickness Benefits and Sickness Benefits – Hardship.
- 5 This benefit was abolished on 1 April 2004.
- 6 Includes clients receiving an Orphan's Benefit or an Unsupported Child's Benefit.

Since 2001, between 56% and 59% of Accommodation Supplement recipients have been renting privately, while between 21% and 24% have been boarding and around 17% have owned a house with a mortgage. Since the reintroduction of income-related rents for state rental homes in November 2000, around 2% of Accommodation Supplement recipients have been renting from non-private organisations (see [Table 4.2](#)).

table
4.2**Trends in the ownership status of clients receiving an Accommodation Supplement**

| Ownership status at the end of June | Clients receiving an Accommodation Supplement ¹ | | | | |
|-------------------------------------|--|----------------|----------------|----------------|----------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| Renting privately | 148,500 | 145,032 | 142,006 | 137,038 | 142,076 |
| Renting from other organisation | 6,505 | 6,642 | 5,921 | 5,936 | 6,245 |
| Boarding | 63,755 | 62,297 | 62,703 | 55,418 | 52,357 |
| Mortgage | 47,104 | 44,051 | 41,298 | 38,293 | 41,772 |
| Unspecified | 18 | 12 | 13 | 10 | 162 |
| Total | 265,882 | 258,034 | 251,941 | 236,695 | 242,612 |

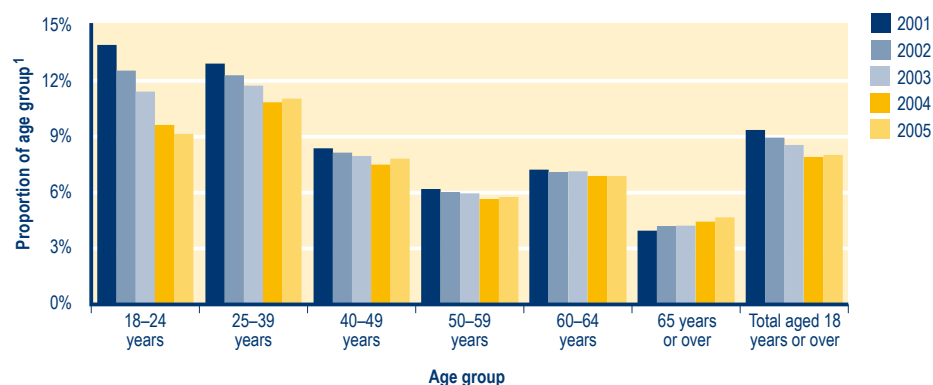
Note

1 Numbers of clients recorded in SWIFTT as receiving an Accommodation Supplement at the end of June.

Trends in the proportion of people aged 18 years or over receiving an Accommodation Supplement

The proportion of people aged 18 years or over who were receiving an Accommodation Supplement decreased between 2001 and 2004, but showed little change between 2004 and 2005 (see [Figure 4.1](#)). This reflects the combined impact of decreases since 2001 in numbers of recipients of income-tested benefits and the expansion of Accommodation Supplements provided to low-income working families through Working for Families.

Throughout this period, a significantly higher proportion of 18–39 year olds than of older working aged people have been receiving an Accommodation Supplement, while the lowest use of Accommodation Supplements has been among people aged 65 years or over (see [Figure 4.1](#)). These patterns reflect at least in part the likelihood of people in different age groups owning their own homes and living on low incomes.

figure
4.1**Trends in the proportion of people aged 18 years or over receiving an Accommodation Supplement, by age**

Note

1 Proportion shows:

- number of people in age group recorded in SWIFTT as receiving an Accommodation Supplement 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 A3.14](#) (Appendix 3) for a summary of the SWIFTT data underlying [Figure 4.1](#).

Trends in Accommodation Supplements granted

The annual number of Accommodation Supplements granted each year has increased over the last 12 months, after decreasing between 2000/2001 and 2003/2004 (see [Table 4.3](#)). This reflects the combined impact of:

- decreases since 2000/2001 in the number of people receiving income-tested benefits
- the introduction of the Working for Families package, which significantly broadened eligibility for Accommodation Supplements to low-income working families.

Of the Accommodation Supplements granted in each year (see [Table 4.3](#)):

- since 2000/2001, a decreasing proportion were provided to recipients of unemployment-related benefits (40% in 2004/2005, compared with 57% in 2000/2001)
- since 2003/2004, an increasing proportion were provided to people who were not receiving any pension or income-tested benefit (19% in 2004/2005, compared with 11% in 2003/2004).

These changes reflect:

- reduced use of unemployment-related benefits since 2001
- the impact of extended eligibility for Accommodation Supplements under the Working for Families package implemented from October 2004.

table
4.3

Trends in the type of pension or income-tested benefit paid to clients granted an Accommodation Supplement

| Type of pension or income-tested benefit received when Accommodation Supplement granted | Accommodation Supplements granted ¹ | | | | |
|---|--|---------------------|---------------------|---------------------|---------------------|
| | 2000/2001 Number | 2001/2002 Number | 2002/2003 Number | 2003/2004 Number | 2004/2005 Number |
| Unemployment-related benefits ² | 149,290 | 136,534 | 124,627 | 106,168 | 93,126 |
| Carer's benefits ³ | 37,077 | 34,462 | 34,734 | 34,666 | 34,530 |
| Sickness-related benefits ⁴ | 30,797 | 32,220 | 33,905 | 37,338 | 38,045 |
| Invalid's Benefit | 9,176 | 9,462 | 9,799 | 10,205 | 10,935 |
| Widow's Benefit | 981 | 921 | 967 | 976 | 1,054 |
| Transitional Retirement Benefit ⁵ | 1,142 | 776 | 688 | 271 | 0 |
| Emergency Benefit | 5,712 | 4,493 | 5,193 | 6,805 | 6,739 |
| New Zealand Superannuation | 3,344 | 4,620 | 4,209 | 4,633 | 5,483 |
| Veteran's Pension | 77 | 91 | 77 | 83 | 123 |
| No pension or income-tested benefit ⁶ | 25,624 | 23,658 | 23,420 | 24,769 | 44,160 |
| Total | 263,220 | 247,237 | 237,619 | 225,914 | 234,195 |

Notes

- 1 Numbers of successful applications for Accommodation Supplements recorded in SWIFTT during years ended June.
- 2 Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to trainees, and Independent Youth Benefits.
- 3 Includes Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.
- 4 Includes Sickness Benefits and Sickness Benefits – Hardship.
- 5 This benefit was abolished on 1 April 2004.
- 6 Includes clients receiving an Orphan's Benefit or an Unsupported Child's Benefit.

Trends in expenditure on Accommodation Supplements

Decreases in annual expenditure on Accommodation Supplements between 2000/2001 and 2003/2004 (see [Table 4.4](#)) reflect decreases in the number of clients receiving an Accommodation Supplement. These in turn reflect decreases in the number of clients receiving core benefits and the impact of the reintroduction of income-related rents in November 2000.

Changes in 1997 to the administration of Accommodation Supplements, to payment rates, and to maximum levels available contributed to increased expenditure on Accommodation Supplements shown between 1997/1998 and 1999/2000 (see [Table 4.4](#)). This increase in expenditure was, however, negated by the decreases in numbers receiving Accommodation Supplements since 1999/2000 outlined above.

The increase between 2003/2004 and 2004/2005 in expenditure on Accommodation Supplements (see [Table 4.4](#)) reflects the impact of the Working for Families package, specifically:

- the increased level of Accommodation Supplements resulting from widened eligibility
- increases since 1 April 2005 in the maximum levels of assistance available in some areas of New Zealand.

table
4.4

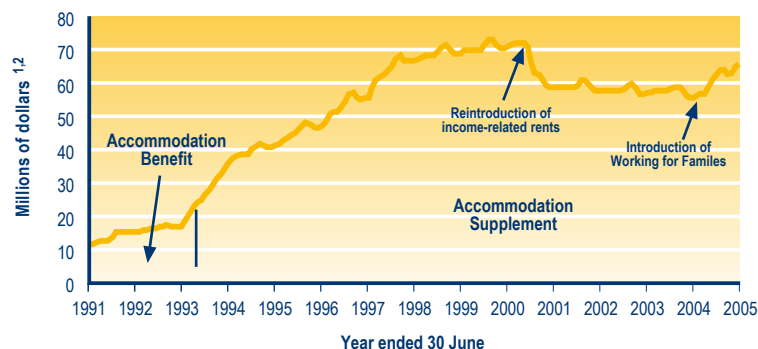
Trends in annual expenditure on Accommodation Supplements

| Year ended June | Expenditure on Accommodation Supplements ^{1,2,3} (\$m) |
|-----------------|---|
| 1991/1992 | 174 |
| 1992/1993 | 206 |
| 1993/1994 | 337 |
| 1994/1995 | 483 |
| 1995/1996 | 551 |
| 1996/1997 | 648 |
| 1997/1998 | 777 |
| 1998/1999 | 831 |
| 1999/2000 | 852 |
| 2000/2001 | 790 |
| 2001/2002 | 711 |
| 2002/2003 | 697 |
| 2003/2004 | 691 |
| 2004/2005 | 735 |

Notes

- 1 Expenditure on Accommodation Supplements 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. Accommodation Supplements 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.

Monthly expenditure on Accommodation Supplements shows small seasonal peaks in summer (see [Figure 4.2](#)). These reflect the seasonal peak in uptake of income-tested benefits that occurs around this time. The impact of the reintroduction of income-related rents for state rental homes is visible in [Figure 4.2](#) as a drop from mid 2000/2001 in monthly expenditure on Accommodation Supplements. The initial impact of the Working for Families package since October 2004, arising from increased uptake and increased levels of assistance for some recipients, is also evident in [Figure 4.2](#).

figure
4.2**Trends in monthly expenditure on Accommodation Supplements****Notes**

- 1 Expenditure is adjusted to payment periods based on a standard 30-day month, and smoothed using a two-month moving average. Accommodation Supplements 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.

Tenure Protection Allowance

Between June 1993 and November 2000, a Tenure Protection Allowance was available to selected tenants in HNZC or Te Puni Kōkiri housing. Tenure Protection Allowances were available to tenants who would face difficulty as a result of market-related rents if they were required 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.

Tenure Protection Allowances were a transitional provision for eligible tenants who were residing in state rental homes on 1 October 1992. No one has become eligible to receive an Allowance since 1 October 1992, and the Allowance was abolished following the reintroduction of income-related rents for state rental homes in November 2000.

For information about use of the Tenure Protection Allowance, see *The Statistical Report for the Year Ending June 2004*.

Special Transfer Allowance

Special Transfer Allowances were introduced on 1 October 1996 to provide ongoing assistance to those who had previously qualified for a Tenure Protection Allowance but who lost that entitlement when they:

- moved from their HNZC property (entitlement to a Tenure Protection Allowance was lost whether tenants moved to another HNZC property or to a property rented from a private landlord), or
- continued to live in their ex-state rental home after it had been sold by HNZC.

Entitlement to a Special Transfer Allowance was restricted to clients who had been living in state rental homes on 1 October 1992 and had previously received a Tenure Protection Allowance.

Trends in the number of clients receiving a Special Transfer Allowance

Since 2001, the number of Special Transfer Allowance recipients has decreased from 182 to 100. This reflects attrition from the original group of clients who were eligible for a Special Transfer Allowance.

Since 2001, around 92% of Special Transfer Allowance recipients have been receiving New Zealand Superannuation, reflecting the high proportion of Tenure Protection Allowance recipients who were aged 65 years or over.

The number of Special Transfer Allowances granted each year has decreased from 51 in 2000/2001 to between one and three in each subsequent year. This reflects attrition from the original group of clients who were eligible for a Special Transfer Allowance.

Trends in expenditure on Tenure Protection Allowances and Special Transfer Allowances

Combined annual expenditure on Tenure Protection Allowances and Special Transfer Allowances rose between 1993/1994 and 1995/1996, from \$3 million to \$17 million. From 1996/1997 onward, however, expenditure on Tenure Protection Allowances and Special Transfer Allowances has decreased each year. A particularly sharp decrease between 1999/2000 and 2001/2002 (from \$12 million to under half a million dollars per year) reflects the reintroduction of income-related rents in November 2000 and the related abolition of the Tenure Protection Allowance programme.

Away from Home Allowance

An Away from Home Allowance provides assistance with accommodation costs for the caregivers of dependent 16–17 year olds who move away from home to undertake tertiary study or employment-related training.

For the caregiver to receive an Away from Home Allowance, they must be:

- the principal caregiver for the child
- entitled to receive Family Support for the child.

In addition, the child must be living away from home in order to undertake a course that would qualify them for a Student Allowance or an Unemployment Benefit if they were old enough to receive one.

The amount of Away from Home Allowance payable is calculated based on:

- the same threshold for rental or boarding costs as would be applied to a single 18 year old receiving an Unemployment Benefit
- maximum accommodation costs funded, which are the same as those for an Accommodation Supplement.

All accommodation costs must be verified when applying for an Away from Home Allowance. An Away from Home Allowance is non-taxable and is not asset tested.

Trends in the number of clients receiving an Away from Home Allowance

The number of clients receiving an Away from Home Allowance has decreased since 2001, from 94 to 39. Since 2001, the proportion of Away from Home Allowance recipients who were:

- not receiving a pension or income-tested benefit has fluctuated between 51% and 63%
- receiving a carer's benefit has increased (from 20% to 33%).

The number of Away from Home Allowances granted each year has decreased since 2000/2001, from 250 to 99. Over this period, there has been:

- an increase in the proportion of Away from Home Allowances granted each year that were provided to carer's benefit recipients (from 25% to 32%)
- a corresponding decrease in the proportion provided to clients who were not receiving a pension or income-tested benefit (from 52% to 45%).

Unsupported Child's Benefit and Orphan's Benefit

Unsupported Child's Benefits and Orphan's Benefits are available to people who are caring for dependent children while those children are unable to live with or be supported by their parents.

These benefits are income tested in relation to any income the child receives other than from personal earnings, but they are not work tested. The child's caregiver is not income tested.

Eligibility for an Unsupported Child's Benefit and Orphan's Benefit

Unsupported Child's Benefit

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.

Residency tests apply, and the child must be expected to be in the care of the client for at least 12 months.

Orphan's Benefit

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.

Residency tests apply, and the child must be expected to be in the care of the client for at least 12 months.

Trends in the number of clients receiving an Unsupported Child's Benefit or an Orphan's Benefit

Increases since 2001 in the number of recipients of an Unsupported Child's Benefit or an Orphan's Benefit (see [Table 4.5](#)) reflect growth in the numbers of clients receiving an Unsupported Child's Benefit. This growth, along with the stable numbers receiving Orphan's Benefits, arises from the long-term nature of these benefits.

Of the Orphan's Benefit and Unsupported Child's Benefit recipients in each year over this period:

- virtually all were receiving an Unsupported Child's Benefit (see [Table 4.5](#))
- between 46% and 50% were not receiving any pension or income-tested benefit (see [Table 4.6](#)).

table
4.5

Trends in the 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 | | | | |
|--|---|----------------|----------------|----------------|----------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| Unsupported Child's Benefit | 5,700 | 5,970 | 6,418 | 6,682 | 6,908 |
| Orphan's Benefit | 375 | 362 | 371 | 369 | 371 |
| Total | 6,075 | 6,332 | 6,789 | 7,051 | 7,279 |

Note

- ¹ Numbers of clients recorded in SWIFTT as receiving an Unsupported Child's Benefit or Orphan's Benefit at the end of June.

table
4.6**Trends in the type of pension or income-tested benefit paid to clients receiving an Orphan's Benefit or an Unsupported Child's Benefit**

| Type of pension or income-tested benefit paid at the end of June | Clients receiving an Unsupported Child's Benefit or an Orphan's Benefit ¹ | | | | |
|--|--|--------------|--------------|--------------|--------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| Unemployment-related benefits ² | 649 | 594 | 561 | 386 | 300 |
| Carer's benefits ³ | 904 | 923 | 982 | 1,046 | 1,007 |
| Sickness-related benefits ⁴ | 230 | 271 | 281 | 318 | 341 |
| Invalid's Benefit | 426 | 496 | 614 | 648 | 713 |
| Widow's Benefit | 156 | 157 | 156 | 169 | 145 |
| Transitional Retirement Benefit ⁵ | 82 | 52 | 16 | 0 | 0 |
| Emergency Benefit | 147 | 126 | 152 | 166 | 197 |
| New Zealand Superannuation | 654 | 701 | 787 | 853 | 896 |
| Veteran's Pension | 10 | 14 | 14 | 12 | 17 |
| No pension or income-tested benefit | 2,817 | 2,998 | 3,226 | 3,453 | 3,663 |
| Total | 6,075 | 6,332 | 6,789 | 7,051 | 7,279 |

Notes

- 1 Numbers recorded in SWIFTT as receiving an Orphan's Benefit or an Unsupported Child's Benefit at the end of June.
- 2 Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to trainees, and Independent Youth Benefits.
- 3 Includes Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.
- 4 Includes Sickness Benefits and Sickness Benefits – Hardship.
- 5 This benefit was abolished on 1 April 2004.

Table 7.1 (see Section 7) shows trends since 1940 in the number of people receiving an Unsupported Child's Benefit or an Orphan's Benefit.

Trends in the number of children covered by an Unsupported Child's Benefit or an Orphan's Benefit

Please note that the number of children covered by an Unsupported Child's Benefit or an Orphan's Benefit may differ from the number of clients receiving those benefits. This is because clients may receive these benefits for more than one child.

Increases since 2001 in the number of children covered by an Unsupported Child's Benefit or an Orphan's Benefit (see **Table 4.7**) largely reflect the long-term nature of these benefits.

Of the children covered by an Unsupported Child's Benefit or an Orphan's Benefit since 2001 (see **Table 4.7**):

- around 76% have been aged 14 years or under, including around 39% who have been aged under 10 years
- around 22% have been aged 15–17 years.

table
4.7**Trends in the age of children covered by an Unsupported Child's Benefit or an Orphan's Benefit**

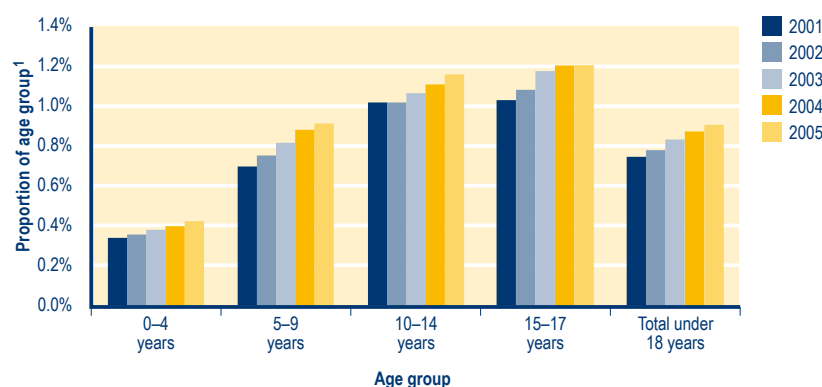
| Age of child at the end of June | Children covered by an Unsupported Child's Benefit or an Orphan's Benefit ^{1,2} | | | | |
|---------------------------------|--|--------------|--------------|--------------|--------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| 0–4 years | 946 | 986 | 1,059 | 1,107 | 1,193 |
| 5–9 years | 2,049 | 2,197 | 2,384 | 2,554 | 2,637 |
| 10–14 years | 3,052 | 3,117 | 3,309 | 3,448 | 3,565 |
| 15–17 years | 1,713 | 1,850 | 2,080 | 2,184 | 2,237 |
| 18–19 years | 70 | 67 | 78 | 69 | 100 |
| Total | 7,830 | 8,217 | 8,910 | 9,362 | 9,732 |

Notes

- Numbers of children recorded in SWIFTT as being covered by an Unsupported Child's Benefit or an Orphan's Benefit being paid at the end of June.
- A client can receive Unsupported Child's Benefit or Orphan's Benefit payments for more than one child. Therefore, the number of children covered by Unsupported Child's Benefits or Orphan's Benefits paid at the end of June may not equal the number of clients receiving an Unsupported Child's Benefit or Orphan's Benefit at the same date.

Trends in the proportion of children aged under 18 years covered by an Unsupported Child's Benefit or an Orphan's Benefit

Since 2001, around 1% of children aged under 18 years have been covered by an Unsupported Child's Benefit or an Orphan's Benefit (see [Figure 4.3](#)). The stability in this trend reflects the long-term support required by many children covered by these benefits. Throughout this period, a higher proportion of 10–17 year olds than of younger children has been covered by an Unsupported Child's Benefit or an Orphan's Benefit (see [Figure 4.3](#)).

figure
4.3**Trends in the proportion of children aged under 18 years covered by an Unsupported Child's Benefit or an Orphan's Benefit, by age**

Note

- Proportion shows:
 - number of children in age group recorded in SWIFTT as being covered by an Unsupported Child's Benefit or an Orphan's Benefit 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 A3.15](#) (Appendix 3) for a summary of the SWIFTT data underlying [Figure 4.3](#).

Trends in Unsupported Child's Benefits and Orphan's Benefits granted

The number of Unsupported Child's Benefits and Orphan's Benefits granted each year has fluctuated since 2000/2001 (see [Table 4.8](#)). Of the Unsupported Child's Benefits and Orphan's Benefits granted in each year over this period (see [Table 4.8](#)):

- between 37% and 40% were provided to clients whose youngest dependent child was aged 10–14 years
- between 29% and 33% were provided to clients whose youngest dependent child was aged 10 years or under.

**table
4.8**

Trends in the age of the youngest dependent child cared for by clients granted an Unsupported Child's Benefit or an Orphan's Benefit

| Age of youngest dependent child when benefit granted | Unsupported Child's Benefits and Orphan's Benefits granted ¹ | | | | |
|--|---|---------------------|---------------------|---------------------|---------------------|
| | 2000/2001 Number | 2001/2002 Number | 2002/2003 Number | 2003/2004 Number | 2004/2005 Number |
| 0–4 years | 513 | 518 | 561 | 563 | 605 |
| 5–9 years | 449 | 469 | 547 | 487 | 502 |
| 10–14 years | 1,319 | 1,183 | 1,260 | 1,237 | 1,216 |
| 15–17 years | 995 | 941 | 1,019 | 981 | 954 |
| 18–19 years | 3 | 3 | 2 | 4 | 1 |
| 20 years or over | 0 | 0 | 0 | 0 | 0 |
| Unspecified | 11 | 8 | 7 | 5 | 11 |
| Total | 3,290 | 3,122 | 3,396 | 3,277 | 3,289 |

Note

- ¹ Numbers of successful applications for Unsupported Child's Benefits or Orphan's Benefits recorded in SWIFTT during years ended June.

Expenditure on Unsupported Child's Benefits and Orphan's Benefits

Increases since 1991/1992 in combined annual expenditure on Unsupported Child's Benefits and Orphan's Benefits (see [Table 4.9](#)) largely reflect increases in the numbers of children covered by these benefits.

**table
4.9**

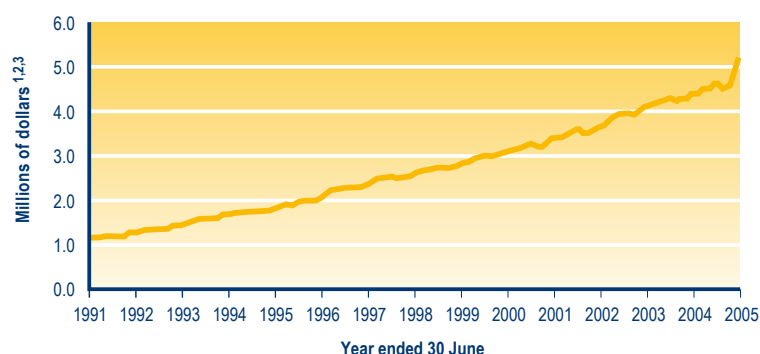
Trends in combined annual expenditure on Unsupported Child's Benefits and Orphan's Benefits

| Year ended 30 June | Expenditure on Unsupported Child's Benefits and Orphan's Benefits ^{1,2,3} (\$m) |
|-----------------------|---|
| 1991/1992 | 14 |
| 1992/1993 | 16 |
| 1993/1994 | 19 |
| 1994/1995 | 21 |
| 1995/1996 | 23 |
| 1996/1997 | 27 |
| 1997/1998 | 30 |
| 1998/1999 | 33 |
| 1999/2000 | 36 |
| 2000/2001 | 39 |
| 2001/2002 | 42 |
| 2002/2003 | 47 |
| 2003/2004 | 51 |
| 2004/2005 | 56 |

Notes

- 1 Expenditure on Unsupported Child's Benefits and Orphan's Benefits in years ended June, including expenditure on other supplementary benefits received by clients receiving an Orphan's Benefit or an Unsupported Child'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 Benefits and Orphan's Benefits 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 slight decrease in monthly combined expenditure on Unsupported Child's Benefits and Orphan's Benefits evident at the beginning of each calendar year (see [Figure 4.4](#)) reflects a seasonal dip in applications in January, combined with ongoing cessations as children turn 18 years of age. Increases in expenditure in 1996/1997, 1997/1998 and 2004/2005 (see [Figure 4.4](#)) reflect the impact of adjustments to the core rates of payments of these benefits.

figure
4.4**Trends in combined monthly expenditure on Unsupported Child's Benefits and Orphan's Benefits****Notes**

- 1 Monthly expenditure on Unsupported Child's Benefits and Orphan's Benefits, including expenditure on other supplementary benefits received by clients receiving an Orphan's Benefit or an Unsupported Child'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 Benefits and Orphan's Benefits 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.

Table 7.2 (see Section 7) shows trends since 1940 in combined expenditure on Orphan's Benefits and Unsupported Child's Benefits, including expenditure on other supplementary benefits received by clients being paid an Orphan's Benefit or an Unsupported Child's Benefit. Please note that expenditure since 1996 shown in **Table 7.2** reflects deductions for:

- debts established
- clients receiving overseas pensions as well as an Orphan's Benefit or an Unsupported Child's Benefit.

The data in **Table 4.9** and **Figure 4.4** do not reflect these deductions.

Childcare Subsidy

The Childcare Subsidy programme assists with the costs of childcare faced by low- and middle-income families. A Childcare Subsidy provides assistance with the cost of licensed childcare, family day care projects and chartered Te Kōhanga Reo, and is paid directly to the childcare provider.

A Childcare Subsidy is available for children aged under five years, or for children aged under six years if the caregiver also receives a Child Disability Allowance for their child.

A policy change in July 1993 restricted Childcare Subsidies for clients not in education, training or employment to a maximum of nine hours per week. This restriction applied to new applicants from that date and was extended to existing Childcare Subsidy recipients from early 1994. Clients in special circumstances (eg caring for a sick partner, attending regular medical treatment) may, however, receive a Childcare Subsidy for up to 50 hours per week without being in education, training or employment.

In October 2004, the income limits entitling families to receive a Childcare Subsidy were raised under the Working for Families package.

Please note that information in this section indicates the number of children covered by a Childcare Subsidy received and granted. This information may therefore differ from other published information giving the number of clients receiving or granted a Childcare Subsidy for one or more children.

Trends in the number of children covered by a Childcare Subsidy

The number of children covered by Childcare Subsidies increased between 2004 and 2005, after decreasing for the previous four years (see [Table 4.10](#)). This reflects the combined impact of:

- improved economic conditions, leading to decreased numbers of clients receiving income-tested benefits
- decreases in the number of children aged under five years (the eligible age group) until 2004, followed by a small increase in the last 12 months
- expansion of eligibility criteria for Childcare Subsidy under the Working for Families package.

Between 2004 and 2005, the proportion of children covered by a Childcare Subsidy whose caregivers were not receiving any pension or income-tested benefit increased (from 30% to 51%), with a corresponding decrease in the proportion with caregivers who were receiving a carer's benefit (see [Table 4.10](#)). This reflects the impact of widened eligibility for Childcare Subsidies in the Working for Families package.

table
4.10

Trends in the type of pension or income-tested benefit paid to caregivers of children covered by a Childcare Subsidy

| Type of pension or income-tested benefit paid to carer at the end of June | Children covered by a Childcare Subsidy ¹ | | | | |
|---|--|---------------|---------------|---------------|---------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| Unemployment-related benefits ² | 1,522 | 1,240 | 976 | 698 | 614 |
| Carer's benefits ³ | 15,210 | 15,064 | 15,337 | 14,988 | 14,457 |
| Sickness-related benefits ⁴ | 357 | 373 | 428 | 438 | 493 |
| Invalid's Benefit | 561 | 598 | 578 | 581 | 631 |
| Widow's Benefit | 114 | 106 | 109 | 101 | 90 |
| Transitional Retirement Benefit ⁵ | 14 | 8 | 1 | 0 | 0 |
| Emergency Benefit | 196 | 138 | 168 | 153 | 158 |
| New Zealand Superannuation | 30 | 35 | 37 | 34 | 41 |
| Veteran's Pension | 1 | 1 | 4 | 3 | 0 |
| No pension or income-tested benefit ⁶ | 9,869 | 9,038 | 7,988 | 7,241 | 16,846 |
| Total | 27,874 | 26,601 | 25,626 | 24,237 | 33,330 |

Notes

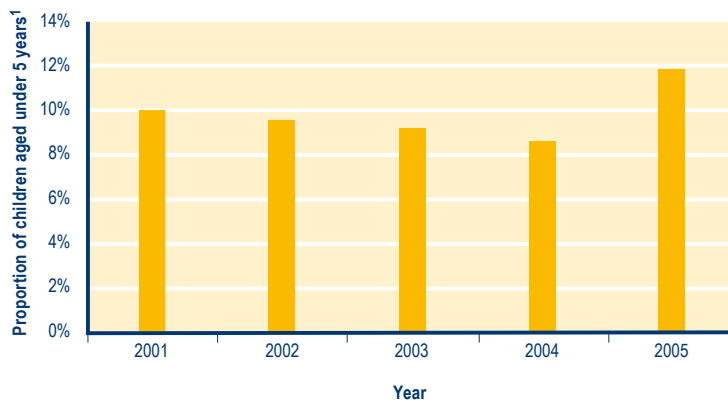
- 1 Numbers of children recorded in SWIFTT as being covered by a Childcare Subsidy at the end of June. Please note that the timing of this extraction may be altered in some years shown, to avoid school holiday periods.
- 2 Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to trainees, and Independent Youth Benefits.
- 3 Includes Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.
- 4 Includes Sickness Benefits and Sickness Benefits – Hardship.
- 5 This benefit was abolished on 1 April 2004.
- 6 Includes clients entitled to a Childcare Subsidy through receiving an Orphan's Benefit or an Unsupported Child's Benefit.

Trends in the proportion of children aged under five years covered by a Childcare Subsidy

The proportion of children aged under five years who are covered by a Childcare Subsidy decreased between 2001 and 2004, then increased significantly in 2005 (see [Figure 4.5](#)).

This reflects a combination of:

- decreases since 2001 in the number of people receiving income-tested benefits
- the impact of the widened eligibility of low-income working families resulting from the Working for Families package implemented in October 2004.

figure
4.5**Trends in the proportion of children aged under five years covered by a Childcare Subsidy****Note**

1 Proportion shows:

- a number of children aged under five years recorded in SWIFTT as being covered by a Childcare Subsidy at the end of June, divided by
- b Statistics New Zealand final estimate of the resident population aged under five years at the end of June.

See [Table A3.16](#) (Appendix 3) for a summary of the SWIFTT data underlying [Figure 4.5](#).

Trends in Childcare Subsidies granted

The number of Childcare Subsidies granted each year increased between 2003/2004 and 2004/2005, after having decreased between 2000/2001 and 2003/2004 (see [Table 4.11](#)).

This reflects the combined impact of the factors outlined earlier (ie changes in the number of children aged under five years, broadened eligibility under Working for Families, and improved economic conditions).

Between 2003/2004 and 2004/2005, the proportion of children covered by Childcare Subsidies granted each year whose caregivers:

- were not receiving any pension or income-tested benefit increased (from 26% to 48%) (see [Table 4.11](#))
- were in employment, education or training increased (from 47% to 52%) (see [Table 4.12](#)).

table
4.11

Trends in the type of pension or income-tested benefit paid to caregivers of children covered by Childcare Subsidies granted

| Types of pension or income-tested benefit paid to caregiver when Childcare Subsidy granted | Children covered by Childcare Subsidies granted ¹ | | | | |
|--|--|------------------|------------------|------------------|------------------|
| | 2000/2001 Number | 2001/2002 Number | 2002/2003 Number | 2003/2004 Number | 2004/2005 Number |
| Unemployment-related benefits ² | 3,554 | 2,765 | 2,178 | 1,693 | 1,376 |
| Carer's benefits ³ | 26,187 | 25,245 | 24,931 | 24,665 | 23,019 |
| Sickness-related benefits ⁴ | 640 | 665 | 685 | 704 | 832 |
| Invalid's Benefit | 730 | 798 | 798 | 858 | 871 |
| Widow's Benefit | 170 | 146 | 162 | 136 | 111 |
| Transitional Retirement Benefit ⁵ | 21 | 9 | 2 | 0 | 0 |
| Emergency Benefit | 415 | 317 | 277 | 281 | 279 |
| New Zealand Superannuation | 45 | 47 | 43 | 44 | 54 |
| Veteran's Pension | 2 | 0 | 5 | 0 | 2 |
| No pension or income-tested benefit ⁶ | 13,851 | 12,274 | 10,898 | 10,099 | 24,023 |
| Total | 45,615 | 42,266 | 39,979 | 38,480 | 50,567 |

Notes

- 1 Numbers of successful applications for Childcare Subsidies recorded in SWIFTT during years ended June.
- 2 Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people or to trainees, and Independent Youth Benefits.
- 3 Includes Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.
- 4 Includes Sickness Benefits and Sickness Benefits – Hardship.
- 5 This benefit was abolished on 1 April 2004.
- 6 Includes clients entitled to a Childcare Subsidy through receiving an Orphan's Benefit or an Unsupported Child's Benefit.

table
4.12

Trends in the reason for granting Childcare Subsidies

| Reason Childcare Subsidy granted | Children covered by Childcare Subsidies granted ¹ | | | | |
|--|--|------------------|------------------|------------------|------------------|
| | 2000/2001 Number | 2001/2002 Number | 2002/2003 Number | 2003/2004 Number | 2004/2005 Number |
| Disabled parent | 623 | 673 | 620 | 665 | 601 |
| Parent in employment | 10,879 | 10,184 | 9,532 | 9,172 | 17,682 |
| Child receiving Child Disability Allowance | 670 | 720 | 927 | 1,120 | 1,448 |
| Sibling receiving Child Disability Allowance | 529 | 547 | 627 | 687 | 842 |
| Sibling in hospital | 3 | 7 | 8 | 13 | 13 |
| Illness or injury | 346 | 254 | 191 | 208 | 179 |
| Parent in training or education | 8,922 | 8,928 | 8,693 | 8,762 | 8,575 |
| Insufficient income | 23,643 | 20,953 | 19,381 | 17,852 | 21,227 |
| Unspecified | 0 | 0 | 0 | 1 | 0 |
| Total | 45,615 | 42,266 | 39,979 | 38,480 | 50,567 |

Note

- 1 Numbers of successful applications for Childcare Subsidies recorded in SWIFTT during years ended June.



OSCAR (Out-of-School Care and Recreation) Subsidy

An OSCAR Subsidy pays for out-of-school care for children aged 5–13 years. OSCAR Subsidies were introduced in February 1999, to assist low- and middle-income families with the cost of approved out-of-school care and holiday programmes.

People in work or study, or in special circumstances that require access to childcare, can receive an OSCAR Subsidy for up to 20 hours per week in term time, and for up to 50 hours per week in school holidays. Examples of special circumstances requiring childcare are caring for a sick partner or attending regular medical treatment.

In October 2004, the income limits entitling families to receive an OSCAR Subsidy were raised under the Working for Families package. The hourly subsidy rates were also increased from 4 October 2004 to equal Childcare Subsidy rates, as well as being raised in line with inflation from 1 April 2005.

Please note that the information given below shows the number of children covered by an OSCAR Subsidy received and by OSCAR Subsidies granted. This information may therefore differ from other published information showing the number of clients receiving or granted an OSCAR Subsidy for one or more children.

Trends in the number of children covered by an OSCAR Subsidy

The number of children covered by an OSCAR Subsidy increased between 2004 and 2005, after fluctuating between 2001 and 2004 (see [Table 4.13](#)). The increased uptake of OSCAR Subsidies between 2004 and 2005 largely reflects the widening of the eligibility criteria and increased subsidies for caregivers as part of the Working for Families package.

Between 2004 and 2005, the proportion of children covered by an OSCAR Subsidy whose caregivers were receiving no pension or income-tested benefit increased (from 52% to 69%), with a corresponding fall in the proportion whose caregivers were receiving a carer's benefit (see [Table 4.13](#)).

table
4.13

Trends in the type of pension or income-tested benefit paid to caregivers of children covered by an OSCAR Subsidy

| Type of pension or income-tested benefit paid to caregiver at the end of June | Children covered by an OSCAR Subsidy ¹ | | | | |
|---|---|--------------|--------------|--------------|--------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| Unemployment-related benefits ² | 9 | 8 | 8 | 4 | 5 |
| Carer's benefits ³ | 976 | 878 | 857 | 990 | 1,273 |
| Sickness-related benefits ⁴ | 2 | 0 | 3 | 5 | 8 |
| Invalid's Benefit | 10 | 8 | 11 | 6 | 10 |
| Widow's Benefit | 5 | 5 | 9 | 8 | 11 |
| Transitional Retirement Benefit ⁵ | 0 | 0 | 0 | 0 | 0 |
| Emergency Benefit | 0 | 1 | 0 | 3 | 3 |
| New Zealand Superannuation | 0 | 2 | 1 | 1 | 2 |
| Veteran's Pension | 0 | 0 | 0 | 0 | 0 |
| No pension or income-tested benefit ⁶ | 997 | 979 | 959 | 1,094 | 2,973 |
| Total | 1,999 | 1,881 | 1,848 | 2,111 | 4,285 |

Notes

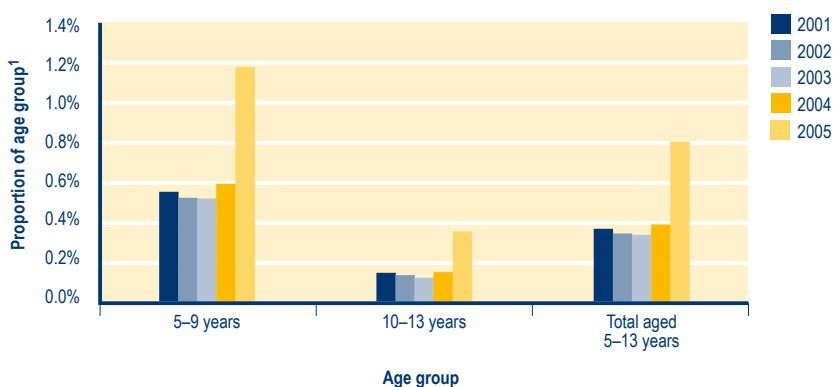
- Numbers of children recorded in SWIFT as being covered by an OSCAR Subsidy at the end of June.
- Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to trainees, and Independent Youth Benefits.
- Includes Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.
- Includes Sickness Benefits and Sickness Benefits – Hardship.
- This benefit was abolished on 1 April 2004.
- Includes clients entitled to an OSCAR Subsidy through receiving an Orphan's Benefit or an Unsupported Child's Benefit.

Trends in the proportion of children aged 5–13 years covered by an OSCAR Subsidy

Between 2004 and 2005, the proportion of children aged 5–13 years covered by an OSCAR Subsidy increased from around 0.2% to over 1% (see [Figure 4.6](#)). This reflects the impact of widened eligibility of low-income working families under the Working for Families package. Since 2001, children aged 5–9 years have been more likely than children aged 10–13 years to be covered by an OSCAR Subsidy (see [Figure 4.6](#)).

figure
4.6

Trends in the proportion of children aged 5–13 years covered by an OSCAR Subsidy, by age



Note

¹ Proportion shows:

- a number of children in age group recorded in SWIFTT as being covered by an OSCAR Subsidy at the end of June, divided by
- b Statistics New Zealand final estimate of the resident population in age group at the end of June.

See [Table A3.17](#) (Appendix 3) for a summary of the SWIFTT data underlying [Figure 4.6](#).

Trends in OSCAR Subsidies granted

The number of OSCAR Subsidies granted each year increased between 2003/2004 and 2004/2005, after fluctuating between 2000/2001 and 2003/2004 (see [Table 4.14](#)). The increase in 2004/2005 reflects the widened eligibility for OSCAR under the Working for Families package.

Between 2003/2004 and 2004/2005, there were increases in the proportions of children covered by OSCAR Subsidies granted each year whose caregivers:

- were receiving no pension or income-tested benefit (from 45% to 61%), with a corresponding decrease in the proportion covering children whose caregivers were receiving a carer's benefit (see [Table 4.14](#))
- were in employment (from 75% to 80%) (see [Table 4.15](#)).

table
4.14

Trends in the type of pension or income-tested benefit paid to caregivers of children covered by OSCAR Subsidies granted

| Type of pension or income-tested benefit paid to caregivers when OSCAR Subsidy granted | Children covered by OSCAR Subsidies granted ¹ | | | | |
|--|--|------------------|------------------|------------------|------------------|
| | 2000/2001 Number | 2001/2002 Number | 2002/2003 Number | 2003/2004 Number | 2004/2005 Number |
| Unemployment-related benefits ² | 100 | 61 | 43 | 60 | 58 |
| Carer's benefits ³ | 5,314 | 5,218 | 4,983 | 5,115 | 5,775 |
| Sickness-related benefits ⁴ | 38 | 1 | 19 | 25 | 33 |
| Invalid's Benefit | 42 | 33 | 80 | 55 | 85 |
| Widow's Benefit | 83 | 83 | 74 | 48 | 61 |
| Transitional Retirement Benefit ⁵ | 0 | 0 | 0 | 0 | 0 |
| Emergency Benefit | 27 | 15 | 14 | 9 | 15 |
| New Zealand Superannuation | 0 | 2 | 1 | 6 | 4 |
| Veteran's Pension | 0 | 0 | 0 | 0 | 0 |
| No pension or income-tested benefit ⁶ | 4,476 | 4,868 | 4,452 | 4,385 | 9,380 |
| Total | 10,080 | 10,281 | 9,666 | 9,703 | 15,411 |

Notes

- 1 Numbers of successful applications for OSCAR Subsidies recorded in SWIFTT during years ended June.
- 2 Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to trainees, and Independent Youth Benefits.
- 3 Includes Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.
- 4 Includes Sickness Benefits and Sickness Benefits – Hardship.
- 5 This benefit was abolished on 1 April 2004.
- 6 Includes clients entitled to an OSCAR Subsidy through receiving an Orphan's Benefit or an Unsupported Child's Benefit.

table
4.15

Trends in the reason for granting OSCAR Subsidies

| Reason OSCAR Subsidies granted | Children covered by OSCAR Subsidies granted ¹ | | | | |
|------------------------------------|--|------------------|------------------|------------------|------------------|
| | 2000/2001 Number | 2001/2002 Number | 2002/2003 Number | 2003/2004 Number | 2004/2005 Number |
| Caregiver in employment | 7,564 | 7,703 | 7,154 | 7,174 | 12,347 |
| Caregiver in training or education | 2,516 | 2,578 | 2,512 | 2,529 | 3,064 |
| Total | 10,080 | 10,281 | 9,666 | 9,703 | 15,411 |

Note

- 1 Numbers of successful applications for OSCAR Subsidies recorded in SWIFTT during years ended June.

Trends in combined expenditure on Childcare Subsidies and OSCAR Subsidies

The decrease between 1993/1994 and 1994/1995 in combined annual expenditure on Childcare Subsidies and OSCAR Subsidies resulted from a policy change effective from 1 July 1993. This policy change limited the Childcare Subsidy to nine hours per week for clients who were not in employment or training.

Increases since 1994/1995 in combined annual expenditure on Childcare Subsidies and OSCAR Subsidies (see [Table 4.16](#)) reflect:

- the adjustment of Childcare Subsidy payments from 1 April 1996 based on the Consumers Price Index (CPI)
- the introduction of the OSCAR Subsidy from 1 February 1999 (this increased the total number of children covered by childcare assistance paid by Work and Income, and hence increased combined expenditure on these subsidies)
- an increase from 1 July 2001 in the maximum number of hours per week for which subsidies may be paid (from 30 to 37 hours per week)
- a further increase from 1 July 2003 in the maximum number of hours per week for which subsidies may be paid (from 37 to 50 hours per week)
- widened eligibility for Childcare Subsidies and OSCAR Subsidies since October 2004 as part of the Working for Families package
- an increase in October 2004 in the hourly subsidy, which was additional to the regular CPI adjustment
- an increase in October 2004 in the rate of OSCAR subsidies, which raised OSCAR Subsidies to the same hourly rate as Childcare Subsidies.

table
4.16

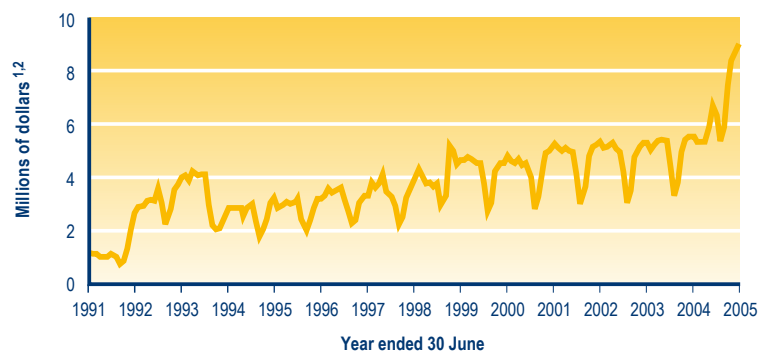
Trends in combined annual expenditure on Childcare Subsidies and OSCAR Subsidies

| Year ended June | Expenditure on Childcare Subsidy and OSCAR Subsidy ^{1,2,3} (\$m) |
|-----------------|--|
| 1991/1992 | 15 |
| 1992/1993 | 38 |
| 1993/1994 | 39 |
| 1994/1995 | 31 |
| 1995/1996 | 34 |
| 1996/1997 | 37 |
| 1997/1998 | 40 |
| 1998/1999 | 49 |
| 1999/2000 | 51 |
| 2000/2001 | 52 |
| 2001/2002 | 56 |
| 2002/2003 | 57 |
| 2003/2004 | 59 |
| 2004/2005 | 79 |

Notes

- 1 Expenditure on Childcare Subsidies and OSCAR Subsidies 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 Subsidies and OSCAR Subsidies 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 strong seasonal pattern in combined monthly expenditure on Childcare Subsidies and OSCAR Subsidies (see [Figure 4.7](#)) reflects higher demand for this assistance during the school/academic year and a decrease in demand over the summer vacation period. The underlying increases since 1994/1995 in combined monthly expenditure on Childcare Subsidies and OSCAR Subsidies reflect the combined impacts of adjustments to levels of assistance per hour, the number of maximum subsidised hours, and eligibility criteria.

figure
4.7**Trends in combined monthly expenditure on Childcare Subsidies and OSCAR Subsidies****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 Subsidies and OSCAR Subsidies 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

Please note that information reported below for Disability Allowances combines information on Disability Allowances, Disability Allowances – Telephone Support, and the Disability Assistance Programme.

Eligibility for a Disability Allowance and related programmes***Disability Allowance***

A Disability Allowance reimburses people for many types of actual and ongoing regular costs incurred because of a disability. In general, a Disability Allowance only covers costs that are not funded, subsidised or otherwise covered by other agencies. An income test also applies.

A Disability Allowance is available to people who have:

- a disability that:
 - means they require ongoing help with normal living tasks or ongoing health care
 - is likely to last at least six months
- extra ongoing costs directly related to their disability.

People receiving ACC support for extra costs related to their disability can receive a Disability Allowance for the proportion of those costs not met by ACC.

Disability Allowance – Telephone Support

A Disability Allowance – Telephone Support (also known as a Telephone Costs Payment) provides a telephone subsidy to people who were in receipt of telephone subsidies as at 31 March 1999 but who would lose their entitlement to these subsidies if they were assessed under the Disability Allowance criteria effective from 1 April 1999.

Disability Assistance Programme

The Disability Assistance Programme provided assistance to people who were receiving New Zealand Superannuation or a Veteran's Pension but who failed the income test for Disability Allowances due to the 1 April 2000 increase in the payment rates for New Zealand Superannuation and a Veteran's Pension.

This programme preserved the entitlement of these people to assistance equivalent to a Disability Allowance. The programme ceased on 31 March 2001, due to income thresholds for a Disability Allowance being increased from 1 April 2001.

Trends in the number of people covered by a Disability Allowance

Please note that information in this section refers to the number of people covered by Disability Allowances received. This information may therefore differ from other published information concerning the number of clients receiving a Disability Allowance. This is because clients may be receiving Disability Allowance payments covering more than one member of their household.

The number of people covered by a Disability Allowance decreased slightly between 2004 and 2005, after increasing between 2001 and 2004 (see [Table 4.17](#)). This appears to reflect a combination of:

- patterns in the use of pensions and income-tested benefits
- the ongoing nature of the costs faced by people covered by a Disability Allowance
- reduced uptake of new Disability Allowances between 2004 and 2005, combined with the ageing of clients receiving Disability Allowances.

Of the people covered by a Disability Allowance in each year since 2001, or their caregivers (see [Table 4.17](#)):

- between 47% and 51% have been receiving New Zealand Superannuation
- around 23% have been receiving an Invalid's Benefit.

table
4.17

Trends in the type of pension or income-tested benefit paid to clients covered by a Disability Allowance or paid to their caregivers

| Type of pension or income-tested benefit paid to the client or caregiver at the end of June | People covered by a Disability Allowance ¹ | | | | |
|---|---|----------------|----------------|----------------|----------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| Unemployment-related benefits ² | 7,310 | 6,816 | 6,421 | 5,142 | 3,372 |
| Carer's benefits ³ | 20,878 | 21,028 | 22,322 | 23,470 | 20,103 |
| Sickness-related benefits ⁴ | 15,753 | 16,952 | 19,082 | 21,744 | 21,484 |
| Invalid's Benefit | 45,175 | 49,069 | 52,809 | 55,531 | 52,107 |
| Widow's Benefit | 2,413 | 2,464 | 2,642 | 2,793 | 2,464 |
| Transitional Retirement Benefit ⁵ | 3,330 | 1,928 | 804 | 0 | 0 |
| Emergency Benefit | 1,845 | 1,862 | 2,237 | 2,662 | 2,914 |
| New Zealand Superannuation | 92,032 | 98,224 | 105,139 | 111,830 | 115,736 |
| Veteran's Pension | 2,319 | 2,546 | 2,847 | 3,248 | 3,520 |
| No pension or income-tested benefit ⁶ | 4,091 | 4,284 | 4,737 | 4,965 | 5,134 |
| Total | 195,146 | 205,173 | 219,040 | 231,385 | 226,834 |

Notes

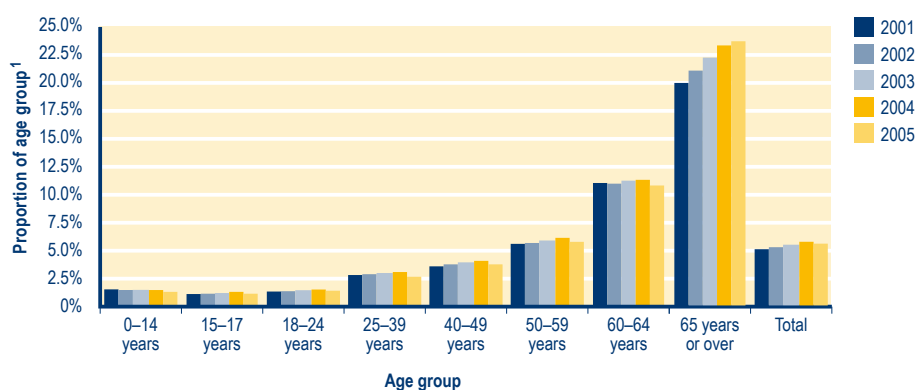
- 1 Numbers of clients recorded in SWIFTT as being covered by a Disability Allowance at the end of June.
- 2 Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people or to trainees, and Independent Youth Benefits.
- 3 Includes Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.
- 4 Includes Sickness Benefits and Sickness Benefits – Hardship.
- 5 This benefit was abolished on 1 April 2004.
- 6 Includes clients entitled to a Disability Allowance through receiving an Orphan's Benefit or an Unsupported Child's Benefit.

Trends in the proportion of the New Zealand population covered by a Disability Allowance

Since 2001, around 5% of the New Zealand population have been covered by a Disability Allowance (see [Figure 4.8](#)). The stability of this trend reflects the long-term nature of many of the treatment-related costs faced by clients receiving a Disability Allowance. Throughout this period, people aged 60 years or over have been significantly more likely than younger people to be covered by a Disability Allowance (see [Figure 4.8](#)), reflecting the impact of ageing on the incidence of long-term or permanent health or disability issues.

figure
4.8

Trends in the proportion of the New Zealand population covered by a Disability Allowance, by age



Note

- 1 Proportion shows:
- number of people in age group recorded in SWIFTT as being covered by a Disability 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 A3.18](#) (Appendix 3) for a summary of the SWIFTT data underlying [Figure 4.8](#).

Trends in Disability Allowances granted

The annual number of Disability Allowances granted decreased between 2003/2004 and 2004/2005, after increasing for the previous four years (see [Table 4.18](#)). This largely reflects patterns in the use of pensions and income-tested benefits.

Of the Disability Allowances granted each year since 2000/2001 (see [Table 4.18](#)):

- around 27% were provided to clients or caregivers receiving New Zealand Superannuation
- an increasing proportion were provided to clients or caregivers receiving sickness-related benefits (24% in 2004/2005, compared with 18% in 2000/2001).

table
4.18**Trends in the type of pension or income-tested benefit paid to clients covered by Disability Allowances granted or paid to their caregivers**

| Type of pension or income-tested benefit paid when Disability Allowance granted | Disability Allowances granted ¹ | | | | |
|---|--|------------------|------------------|------------------|------------------|
| | 2000/2001 Number | 2001/2002 Number | 2002/2003 Number | 2003/2004 Number | 2004/2005 Number |
| Unemployment-related benefits ² | 9,210 | 8,445 | 8,055 | 7,684 | 6,251 |
| Carer's benefits ³ | 9,237 | 9,385 | 10,965 | 12,029 | 10,436 |
| Sickness-related benefits ⁴ | 12,870 | 13,906 | 16,458 | 19,392 | 19,366 |
| Invalid's Benefit | 10,844 | 11,351 | 12,047 | 12,203 | 11,895 |
| Widow's Benefit | 835 | 781 | 997 | 1,133 | 896 |
| Transitional Retirement Benefit ⁵ | 1,911 | 1,564 | 1,285 | 496 | 0 |
| Emergency Benefit | 1,195 | 1,160 | 1,280 | 1,569 | 1,662 |
| New Zealand Superannuation | 19,387 | 20,199 | 21,909 | 22,265 | 21,360 |
| Veteran's Pension | 624 | 617 | 729 | 843 | 916 |
| No pension or income-tested benefit ⁶ | 4,584 | 4,735 | 5,437 | 6,083 | 6,488 |
| Total | 70,697 | 72,143 | 79,162 | 83,697 | 79,270 |

Notes

- 1 Numbers of successful applications for Disability Allowances recorded in SWIFTT during years ended June.
- 2 Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people or to trainees, and Independent Youth Benefits.
- 3 Includes Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.
- 4 Includes Sickness Benefits and Sickness Benefits – Hardship.
- 5 This benefit was abolished on 1 April 2004.
- 6 Includes clients entitled to a Disability Allowance through receiving an Orphan's Benefit or an Unsupported Child's Benefit.

Trends in expenditure on Disability Allowances

Increases in annual expenditure on Disability Allowances since 1991/1992 (see [Table 4.19](#)) reflect a combination of increases in the numbers receiving a Disability Allowance and patterns in the levels of Disability Allowance being provided.

table
4.19

Trends in annual expenditure on Disability Allowances

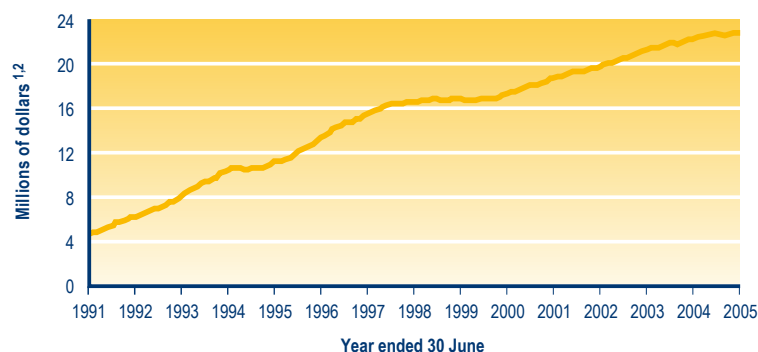
| Year ended June | Expenditure on Disability Allowances ^{1,2,3} (\$m) |
|-----------------|---|
| 1991/1992 | 66 |
| 1992/1993 | 86 |
| 1993/1994 | 113 |
| 1994/1995 | 128 |
| 1995/1996 | 146 |
| 1996/1997 | 175 |
| 1997/1998 | 195 |
| 1998/1999 | 201 |
| 1999/2000 | 203 |
| 2000/2001 | 217 |
| 2001/2002 | 231 |
| 2002/2003 | 247 |
| 2003/2004 | 261 |
| 2004/2005 | 271 |

Notes

- 1 Expenditure on 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. Disability Allowances 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.

Monthly expenditure on Disability Allowances shows no marked seasonal changes (see [Figure 4.9](#)). The slower increase of expenditure on Disability Allowances in:

- 1994/1995 was due to revision (effective from 1 July 1994) of the definition of valid reasons for receiving a Disability Allowance
- 1998/1999 and 1999/2000 was due to falling average rates of Disability Allowances being paid, combined with ongoing increases in numbers receiving Disability Allowances.

figure
4.9**Trends in monthly expenditure on Disability Allowances****Notes**

- 1 Expenditure is adjusted to payment periods based on a standard 30-day month, and smoothed using a two-month moving average. Disability Allowances 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.

Child Disability Allowance

A Child Disability Allowance is a fortnightly payment that can be made to the parent or guardian of a child with a physical or mental disability who requires constant care and attention because of that disability.

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 a Child Disability Allowance must be a dependent child of the carer receiving the Allowance and must also be ordinarily resident in New Zealand.

The Child Disability Allowance is not means tested.

Since 2001, between 18% and 20% of children covered by a Child Disability Allowance have also been covered by a Disability Allowance. In these cases, Disability Allowances are paid to reimburse the direct costs arising from the child's disability.

Trends in the number of children covered by a Child Disability Allowance

Please note that information in this section shows the number of children covered by Child Disability Allowances received. This information may therefore differ from other published information showing the number of clients receiving a Child Disability Allowance that may cover one or more children.

Increases since 2001 in the number of children covered by a Child Disability Allowance (see [Table 4.20](#)) reflect the long-term nature of the medical or other conditions faced by children eligible for a Child Disability Allowance.

Of the children covered by a Child Disability Allowance since 2001 (see [Table 4.20](#)):

- between 57% and 59% had caregivers who were not receiving any pension or income-tested benefit
- between 28% and 32% had caregivers who were receiving carer's benefits.

table
4.20

Trends in the type of pension or income-tested benefit paid to caregivers of children covered by a Child Disability Allowance

| Type of pension or income-tested benefit paid to caregivers at the end of June | Children covered by a Child Disability Allowance ¹ | | | | |
|--|---|---------------|---------------|---------------|---------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| Unemployment-related benefits ² | 1,056 | 974 | 905 | 712 | 579 |
| Carer's benefits ³ | 6,098 | 6,865 | 8,344 | 9,940 | 10,053 |
| Sickness-related benefits ⁴ | 398 | 474 | 632 | 769 | 742 |
| Invalid's Benefit | 857 | 1,059 | 1,352 | 1,606 | 1,740 |
| Widow's Benefit | 118 | 124 | 156 | 161 | 171 |
| Transitional Retirement Benefit ⁵ | 21 | 22 | 2 | 0 | 0 |
| Emergency Benefit | 185 | 149 | 193 | 227 | 209 |
| New Zealand Superannuation | 101 | 99 | 129 | 144 | 152 |
| Veteran's Pension | 2 | 4 | 5 | 3 | 3 |
| No pension or income-tested benefit ⁶ | 12,888 | 13,978 | 15,624 | 17,909 | 19,401 |
| Total | 21,724 | 23,748 | 27,342 | 31,471 | 33,050 |

Notes

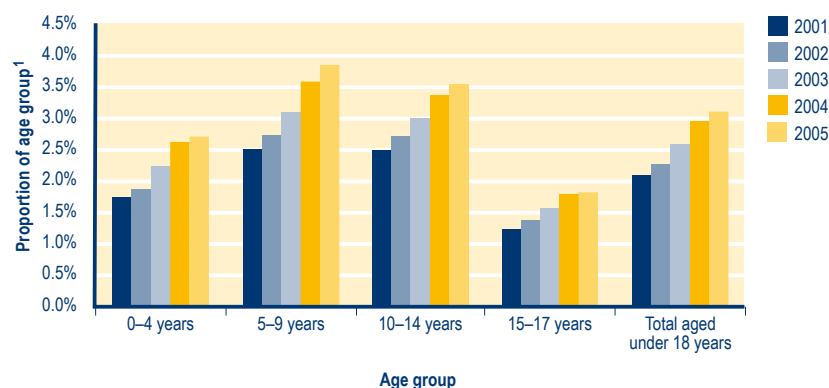
- Numbers of children recorded in SWIFTT as being covered by a Child Disability Allowance at the end of June.
- Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to trainees, and Independent Youth Benefits.
- Includes Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.
- Includes Sickness Benefits and Sickness Benefits – Hardship.
- This benefit was abolished on 1 April 2004.
- Includes clients entitled to a Child Disability Allowance through receiving an Orphan's Benefit or an Unsupported Child's Benefit.

Trends in the proportion of children aged under 18 years covered by a Child Disability Allowance

Increases since 2001 in the proportion of children aged under 18 years who are covered by a Child Disability Allowance (see [Figure 4.10](#)) reflect the long-term nature of the conditions that children eligible for a Child Disability Allowance have. Throughout this period, a higher proportion of children aged 5–14 than of other children aged under 18 years have been covered by a Child Disability Allowance.

figure
4.10

Trends in the proportion of children aged under 18 years covered by a Child Disability Allowance, by age



Note

- Proportion shows:
 - number of children in age group recorded in SWIFTT as being covered by a Child Disability 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 A3.19** (Appendix 3) for a summary of the SWIFTT data underlying **Figure 4.10**.

Trends in Child Disability Allowances granted

The number of Child Disability Allowances granted each year has increased since 2000/2001 (see **Table 4.21**). Since 2000/2001, the proportion of children covered by Child Disability Allowances granted each year who had caregivers (see **Table 4.21**):

- receiving carer's benefits has increased (from 33% to 40%)
- not receiving any pension or income-tested benefit has decreased (from 51% to 46%).

table
4.21

Trends in the type of pension or income-tested benefit paid to caregivers of children covered by Child Disability Allowances granted

| Type of pension or income-tested benefit paid when Child Disability Allowance granted | Child Disability Allowances granted ¹ | | | | |
|---|--|------------------|------------------|------------------|------------------|
| | 2000/2001 Number | 2001/2002 Number | 2002/2003 Number | 2003/2004 Number | 2004/2005 Number |
| Unemployment-related benefits ² | 463 | 389 | 482 | 386 | 294 |
| Carer's benefits ³ | 2,049 | 2,222 | 3,011 | 3,512 | 3,336 |
| Sickness-related benefits ⁴ | 172 | 219 | 274 | 275 | 269 |
| Invalid's Benefit | 234 | 276 | 381 | 435 | 382 |
| Widow's Benefit | 48 | 26 | 49 | 46 | 45 |
| Transitional Retirement Benefit ⁵ | 2 | 8 | 3 | 0 | 0 |
| Emergency Benefit | 62 | 69 | 72 | 88 | 87 |
| New Zealand Superannuation | 28 | 18 | 41 | 40 | 38 |
| Veteran's Pension | 0 | 1 | 2 | 2 | 0 |
| No pension or income-tested benefit ⁶ | 3,147 | 3,113 | 3,507 | 4,094 | 4,670 |
| Total | 6,205 | 6,341 | 7,822 | 8,878 | 9,121 |

Notes

- 1 Numbers of successful applications for Child Disability Allowances recorded in SWIFTT during years ended June.
- 2 Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to trainees, and Independent Youth Benefits.
- 3 Includes Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.
- 4 Includes Sickness Benefits and Sickness Benefits – Hardship.
- 5 This benefit was abolished on 1 April 2004.
- 6 Includes clients entitled to a Child Disability Allowance through receiving an Orphan's Benefit or an Unsupported Child's Benefit.

Trends in expenditure on Child Disability Allowances

Increases since 1991/1992 in annual expenditure on Child Disability Allowances (see [Table 4.22](#)) largely reflect increases in the number of children covered by a Child Disability Allowance.

table
4.22

Trends in annual expenditure on Child Disability Allowances

| Year ended June | Expenditure on Child Disability Allowances ^{1,2,3} (\$m) |
|-----------------|---|
| 1991/1992 | 13 |
| 1992/1993 | 15 |
| 1993/1994 | 17 |
| 1994/1995 | 18 |
| 1995/1996 | 21 |
| 1996/1997 | 25 |
| 1997/1998 | 28 |
| 1998/1999 | 32 |
| 1999/2000 | 35 |
| 2000/2001 | 39 |
| 2001/2002 | 41 |
| 2002/2003 | 47 |
| 2003/2004 | 56 |
| 2004/2005 | 62 |

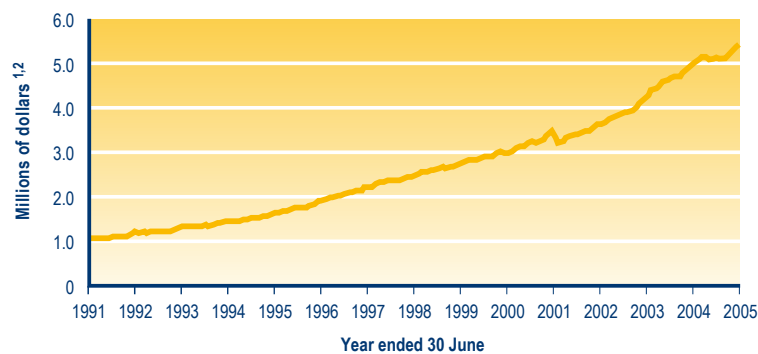
Notes

- 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 Allowances 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.

Little seasonal variation is evident in monthly expenditure on Child Disability Allowances (see [Figure 4.11](#)). A short halt to the increases in monthly expenditure on Child Disability Allowances during late 2000/2001 and early 2001/2002 arose from a review of overdue medical reviews, which led to a temporary fall in the number of Child Disability Allowance recipients.

figure
4.11

Trends in monthly expenditure on Child Disability Allowances



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 Allowances 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.

Training Incentive Allowance

A Training Incentive Allowance aims to assist people undertaking training or studies that will:

- enhance and improve their work skills
- improve their prospects of gaining sustainable paid employment.

A Training Incentive Allowance is available to people who are receiving a carer's benefit, a Widow's Benefit or an Invalid's Benefit.

A Training Incentive Allowance contributes toward fees, course costs and associated costs (eg transport, childcare) faced by trainees and students. A Training Incentive Allowance may be paid as a lump sum, as an ongoing entitlement, or as a combination of the two.

A number of policy changes were made in the 1998/1999 fiscal year with the intention of targeting expenditure to ensure the greatest benefits for Training Incentive Allowance recipients. These changes included:

- tightening objectives for providing a Training Incentive Allowance, particularly a greater focus on training for paid employment
- introducing co-payment for fees and course costs
- excluding people who had completed a degree in the previous five years
- excluding Training Opportunities Programmes and Work and Income courses
- excluding private training establishment courses outside the NZQA accreditation framework.

In the 1999/2000 fiscal year, the co-payment requirement for fees and course costs was removed. Other policy changes in 1999/2000 were:

- adjusting the maximum amount of the Training Incentive Allowance on 1 April each year to reflect the change in the cost of living over the previous 12 months
- permitting consideration of granting a Training Incentive Allowance to people who have completed a degree in the previous five years when they intend to undertake employment-related courses that are less than 12 weeks long.

Personal Development and Employment Plans were introduced on 10 March 2003 for people receiving a Domestic Purposes Benefit or a Widow's Benefit. Training Incentive Allowances may be used to fund education and training consistent with the goals of individual plans.

Please note that information provided in this section on Training Incentive Allowances granted includes ongoing Training Incentive Allowance payments only, while expenditure information includes both ongoing and lump sum payments.

Trends in the number of ongoing Training Incentive Allowances granted

Clients may commence and cease receiving an ongoing Training Incentive Allowance at any point during the year, as their courses begin and end. Ongoing Training Incentive Allowances granted therefore offer a more complete view of use of this assistance than the numbers of people who are receiving an ongoing Training Incentive Allowance at any one point in time.

Fluctuations since 2000/2001 in the number of ongoing Training Incentive Allowances granted each year (see [Table 4.23](#)) reflect the impact of the policy changes outlined above and of changes in numbers receiving carer's benefits, Invalid's Benefits and Widow's Benefits. Since 2000/2001, between 85% and 88% of ongoing Training Incentive Allowances granted each year have been provided to clients receiving a carer's benefit (see [Table 4.23](#)).

table
4.23**Trends in the type of income-tested benefit paid to clients granted an ongoing Training Incentive Allowance**

| Type of income-tested benefit paid when ongoing Training Incentive Allowance granted | Ongoing Training Incentive Allowances granted ¹ | | | | |
|--|--|---------------------|---------------------|---------------------|---------------------|
| | 2000/2001 Number | 2001/2002 Number | 2002/2003 Number | 2003/2004 Number | 2004/2005 Number |
| Carer's benefits ² | 19,078 | 18,478 | 18,250 | 19,926 | 16,811 |
| Invalid's Benefit | 2,238 | 2,431 | 2,464 | 2,631 | 2,704 |
| Widow's Benefit | 398 | 362 | 331 | 401 | 317 |
| Other income-tested benefits | 12 | 18 | 14 | 5 | 0 |
| Total | 21,726 | 21,289 | 21,059 | 22,963 | 19,832 |

Notes

- Numbers of successful applications for an ongoing Training Incentive Allowance recorded in SWIFTT during years ended June.
- Includes Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.

Trends in expenditure on Training Incentive Allowances

Please note that information below on expenditure on Training Incentive Allowances includes expenditure on one-off Training Incentive Allowances (eg those provided to assist with course fees) as well as ongoing Training Incentive Allowances.

Increases between 1998/1999 and 2003/2004 in annual expenditure on Training Incentive Allowances, followed by a decrease in 2004/2005 (see [Table 4.24](#)), largely reflect patterns in the numbers of ongoing Training Incentive Allowances granted.

table
4.24**Trends in annual expenditure on Training Incentive Allowances**

| Year ended June | Expenditure on Training Incentive Allowances ^{1,2} (\$m) |
|-----------------|--|
| 1991/1992 | 9 |
| 1992/1993 | 13 |
| 1993/1994 | 17 |
| 1994/1995 | 21 |
| 1995/1996 | 27 |
| 1996/1997 | 29 |
| 1997/1998 | 34 |
| 1998/1999 | 30 |
| 1999/2000 | 35 |
| 2000/2001 | 36 |
| 2001/2002 | 36 |
| 2002/2003 | 37 |
| 2003/2004 | 42 |
| 2004/2005 | 36 |

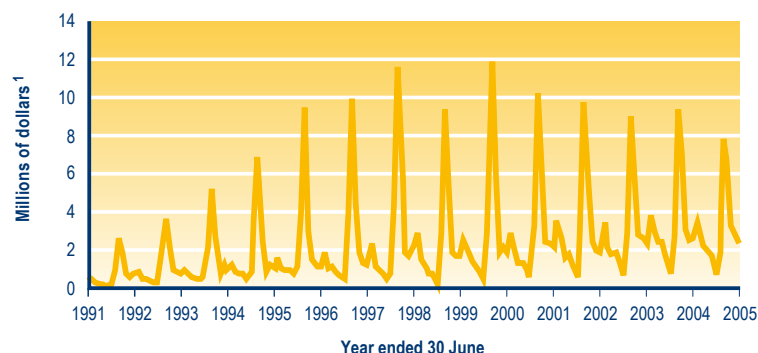
Notes

- Expenditure on Training Incentive Allowances in years ended June.
- Expenditure data shown has not been smoothed. Training Incentive Allowances are not subject to taxation.

The strong seasonal pattern evident in expenditure on Training Incentive Allowances (see **Figure 4.12**) arises because most Training Incentive Allowance expenditure arises from one-off payments made at the beginning of the school/academic year to cover tuition fees and similar costs.

figure
4.12

Trends in monthly expenditure on Training Incentive Allowances



Note

- 1 Expenditure on Training Incentive Allowances has not been smoothed. Training Incentive Allowances are not subject to taxation.

Residential Care Subsidy and Residential Support Subsidy

These subsidies are used as a means by which clients contribute to the cost of residential care or support when they have been assessed as requiring such care or support over the long term but are unable to pay for the full cost of their care.

MSD's Work and Income service line is responsible for income testing and asset testing clients who require long-term residential care or support, and for assessing whether the client can pay for or contribute towards the cost of their care. Client and benefit contributions to the cost of residential care or residential support are paid to the provider of those services. The Ministry of Health's contribution (if any) to the costs of residential care and residential support required by clients is also paid to service providers.

When a client in residential care is receiving a pension or an income-tested benefit, they may be required to contribute that pension or benefit (less a personal allowance) toward the cost of their care.

Eligibility to receive a Residential Care Subsidy or Residential Support Subsidy

Residential Care Subsidy

A Residential Care Subsidy is a contribution to the cost of their residential care made by people who require residential care health and disability services indefinitely and are:

- aged 65 years or over, or
- aged 50–64 years, single with no dependent children, and assessed by the Ministry of Health as being “close in interest” to people aged over 65 years.

Residential Support Subsidy

A Residential Support Subsidy is a contribution to the cost of their residential support made by people who are:

- aged under 65 years
- assessed as having a need for support due to physical disability, intellectual disability or psychiatric disability (including drug and alcohol rehabilitation).

To be entitled to have a Residential Support Subsidy paid toward the cost of their residential support, clients must have been assessed as needing support provided by a residential care facility that has been contracted by the Ministry of Health.

Trends in the number of clients receiving a Residential Care Subsidy or Residential Support Subsidy

The number of clients receiving a Residential Care Subsidy or Residential Support Subsidy has fluctuated since 2001. Of the Residential Care Subsidy or Residential Support Subsidy recipients each year since 2001:

- around 62% were receiving New Zealand Superannuation, while around 32% were receiving an Invalid's Benefit (see [Table 4.25](#))
- around 55% were aged 75 years or over, while around 34% were aged 18–64 years (see [Table 4.26](#)).

table
4.25

Trends in the type of pension or income-tested benefit paid to clients receiving a Residential Care Subsidy or a Residential Support Subsidy

| Type of pension or income-tested benefit paid at the end of June | Clients receiving a Residential Care Subsidy or Residential Support Subsidy ¹ | | | | |
|--|--|---------------|---------------|---------------|---------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| Unemployment-related benefits ² | 9 | 19 | 12 | 19 | 14 |
| Carer's benefits ³ | 29 | 24 | 17 | 13 | 14 |
| Sickness-related benefits ⁴ | 665 | 640 | 622 | 536 | 519 |
| Invalid's Benefit | 7,355 | 7,403 | 7,513 | 7,531 | 7,706 |
| Widow's Benefit | 14 | 13 | 13 | 13 | 16 |
| Transitional Retirement Benefit ⁵ | 50 | 20 | 10 | 0 | 0 |
| Emergency Benefit | 127 | 112 | 139 | 165 | 221 |
| New Zealand Superannuation | 14,739 | 14,386 | 14,406 | 14,361 | 14,119 |
| Veteran's Pension | 291 | 276 | 281 | 304 | 306 |
| No pension or income-tested benefit ⁶ | 40 | 45 | 50 | 51 | 56 |
| Total | 23,319 | 22,938 | 23,063 | 22,993 | 22,971 |

Notes

- 1 Numbers of clients recorded in SWIFTT as receiving a Residential Support Subsidy or Residential Care Subsidy at the end of June.
- 2 Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to trainees, and Independent Youth Benefits.
- 3 Includes Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.
- 4 Includes Sickness Benefits and Sickness Benefits – Hardship.
- 5 This benefit was abolished on 1 April 2004.
- 6 Includes clients receiving an Orphan's Benefit or an Unsupported Child's Benefit.

table
4.26**Trends in the age of clients receiving a Residential Care Subsidy or a Residential Support Subsidy**

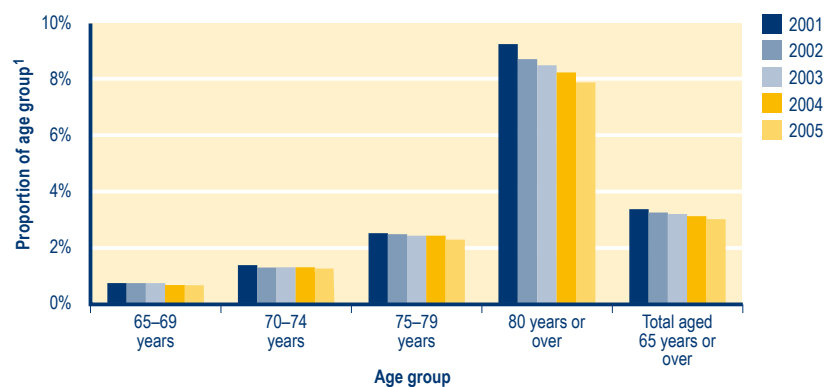
| Age of client at the end of June | Clients receiving a Residential Care Subsidy or a Residential Support Subsidy ¹ | | | | |
|----------------------------------|--|---------------|---------------|---------------|---------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| Under 18 years | 47 | 41 | 53 | 58 | 70 |
| 18–19 years | 176 | 149 | 128 | 120 | 142 |
| 20–24 years | 540 | 566 | 620 | 561 | 583 |
| 25–29 years | 865 | 806 | 717 | 676 | 656 |
| 30–34 years | 1,036 | 1,031 | 1,030 | 959 | 887 |
| 35–39 years | 1,138 | 1,103 | 1,058 | 1,029 | 1,050 |
| 40–44 years | 1,088 | 1,135 | 1,136 | 1,175 | 1,175 |
| 45–49 years | 895 | 921 | 968 | 962 | 1,036 |
| 50–54 years | 804 | 820 | 865 | 872 | 929 |
| 55–59 years | 680 | 712 | 752 | 800 | 815 |
| 60–64 years | 698 | 652 | 673 | 698 | 730 |
| 65–69 years | 912 | 915 | 910 | 906 | 926 |
| 70–74 years | 1,630 | 1,519 | 1,515 | 1,483 | 1,461 |
| 75–79 years | 2,395 | 2,374 | 2,383 | 2,392 | 2,297 |
| 80 years or over | 10,415 | 10,194 | 10,255 | 10,302 | 10,214 |
| Total | 23,319 | 22,938 | 23,063 | 22,993 | 22,971 |

Note

¹ Numbers of clients recorded in SWIFTT as receiving a Residential Care Subsidy or a Residential Support Subsidy at the end of June.

Trends in the proportion of people aged 65 years or over receiving a Residential Care Subsidy

Since 2001, around 3% of people aged 65 years or over have been receiving a Residential Care Subsidy (see [Figure 4.13](#)). Throughout this period, the proportion of people in each age group receiving a Residential Care Subsidy has increased with the increasing age of the clients (see [Figure 4.13](#)), reflecting the health and medical impacts of ageing.

figure
4.13**Trends in the proportion of people aged 65 years or over receiving a Residential Care Subsidy, by age**

Note

- ¹ Proportion shows:
- number of clients in age group recorded in SWIFTT as receiving a Residential Care Subsidy 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 A3.20](#) (Appendix 3) for a summary of the SWIFTT data underlying [Figure 4.13](#).

Trends in Residential Care Subsidies and Residential Support Subsidies granted

The number of Residential Care Subsidies and Residential Support Subsidies granted each year has decreased slightly between 2002/2003 and 2004/2005 (see [Table 4.27](#)).

Of the Residential Care Subsidies and Residential Support Subsidies granted each year since 2000/2001 (see [Table 4.27](#)):

- around 55% were provided to clients receiving New Zealand Superannuation
- between 18% and 22% were provided to clients receiving an Invalid's Benefit, and a similar proportion to clients receiving a sickness-related benefit.

table
4.27

Trends in the type of pension or income-tested benefit paid to clients granted a Residential Care Subsidy or a Residential Support Subsidy

| Type of pension or income-tested benefit paid when Residential Care Subsidy or Residential Support Subsidy granted | Residential Care Subsidies and Residential Support Subsidies granted ¹ | | | | |
|--|---|------------------|------------------|------------------|------------------|
| | 2000/2001 Number | 2001/2002 Number | 2002/2003 Number | 2003/2004 Number | 2004/2005 Number |
| Unemployment-related benefits ² | 14 | 43 | 40 | 33 | 28 |
| Carer's benefits ³ | 136 | 136 | 125 | 81 | 99 |
| Sickness-related benefits ⁴ | 1,947 | 1,937 | 1,878 | 1,750 | 1,482 |
| Invalid's Benefit | 1,716 | 1,612 | 1,820 | 1,703 | 1,885 |
| Widow's Benefit | 6 | 6 | 5 | 11 | 8 |
| Transitional Retirement Benefit ⁵ | 28 | 11 | 3 | 2 | 0 |
| Emergency Benefit | 102 | 63 | 79 | 92 | 124 |
| New Zealand Superannuation | 5,010 | 4,792 | 5,104 | 4,922 | 4,683 |
| Veteran's Pension | 119 | 124 | 126 | 140 | 150 |
| No pension or income-tested benefit ⁶ | 19 | 18 | 21 | 23 | 32 |
| Total | 9,097 | 8,742 | 9,201 | 8,757 | 8,491 |

Notes

- 1 Number of successful applications for Residential Care Subsidies or Residential Support Subsidies recorded in SWIFTT during years ended June.
- 2 Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people or to trainees, and Independent Youth Benefits.
- 3 Includes Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.
- 4 Includes Sickness Benefits and Sickness Benefits – Hardship.
- 5 This benefit was abolished on 1 April 2004.
- 6 Includes clients receiving an Orphan's Benefit or an Unsupported Child's Benefit.

Hardship assistance

This consists of:

- Special Benefit
- hardship assistance paid as lump sums.

Special Benefit

A Special Benefit may be paid to people receiving income-tested benefits or to other low-income earners. To receive a Special Benefit, clients must have:

- a deficiency between their ongoing income and their costs
- individual circumstances that warrant receiving a Special Benefit.

From 1 April 2005:

- families receiving increases in Accommodation Supplements have had their Special Benefits reviewed, which may result in their Special Benefit being reduced
- Family Support has been included as part of the income of a family, for the purposes of determining eligibility for a Special Benefit.

Trends in the number of clients receiving a Special Benefit

The number of people receiving a Special Benefit has increased since 2001, with significant increases between 2002 and 2004 (see [Table 4.28](#)). This reflects:

- a range of initiatives aimed at ensuring that case managers and clients are aware of the availability of, and the eligibility criteria for, a Special Benefit (these initiatives include training, information dissemination and enhanced case management for clients receiving a Domestic Purposes Benefit or a Widow's Benefit)
- an increase in the number of people assessed as being in financial hardship.

Slower growth between 2004 and 2005 in numbers receiving Special Benefits reflects in part the extra income from Working for Families initiatives which is available to low-income people and which is taken into account when applications for Special Benefits are considered.

Between 2001 and 2005, the proportion of Special Benefit recipients who were receiving (see [Table 4.28](#)):

- a carer's benefit fluctuated between 38% and 50%
- Invalid's Benefits fluctuated between 18% and 24%.

table
4.28

Trends in the type of pension or income-tested benefit paid to clients receiving a Special Benefit

| Type of pension or income-tested benefit paid at the end of June | Clients receiving a Special Benefit ¹ | | | | |
|--|--|---------------|---------------|---------------|---------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| Unemployment-related benefits ² | 1,847 | 1,993 | 4,046 | 4,514 | 4,015 |
| Carer's benefits ³ | 4,944 | 6,563 | 16,632 | 25,553 | 24,600 |
| Sickness-related benefits ⁴ | 1,565 | 1,992 | 4,279 | 6,536 | 7,736 |
| Invalid's Benefit | 3,238 | 3,993 | 6,572 | 9,280 | 11,150 |
| Widow's Benefit | 189 | 230 | 479 | 741 | 748 |
| Transitional Retirement Benefit ⁵ | 47 | 42 | 31 | 0 | 0 |
| Emergency Benefit | 224 | 197 | 573 | 833 | 839 |
| New Zealand Superannuation | 199 | 259 | 537 | 794 | 1,019 |
| Veteran's Pension | 4 | 6 | 3 | 2 | 1 |
| No pension or income-tested benefit ⁶ | 790 | 951 | 2,228 | 3,198 | 3,147 |
| Total | 13,047 | 16,226 | 35,380 | 51,451 | 53,255 |

Notes

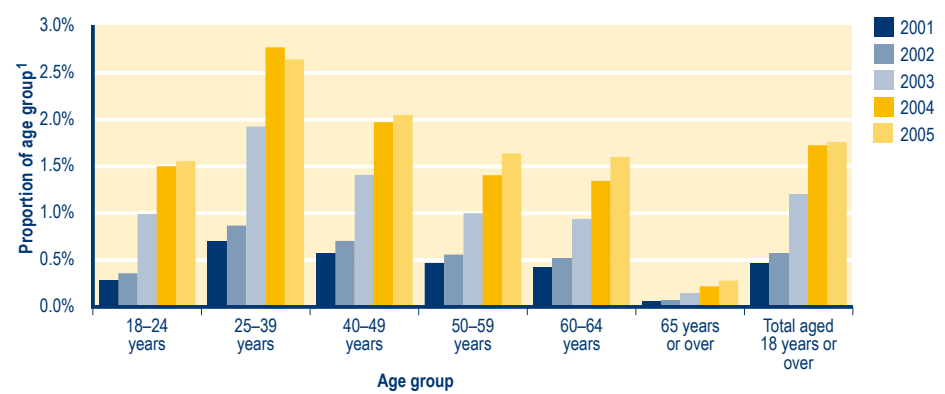
- 1 Numbers of clients recorded in SWIFTT as receiving a Special Benefit at the end of June.
- 2 Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to trainees, and Independent Youth Benefits.
- 3 Includes Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.
- 4 Includes Sickness Benefits and Sickness Benefits – Hardship.
- 5 This benefit was abolished on 1 April 2004.
- 6 Includes clients receiving an Orphan's Benefit or an Unsupported Child's Benefit.

Trends in the proportion of people aged 18 years or over receiving a Special Benefit

A sharp increase over the last three years in the proportion of people aged 18 years or over who are receiving a Special Benefit (see [Figure 4.14](#)) reflects the Work and Income initiatives and increased numbers of people assessed as in financial hardship that were outlined above. Since 2001, the proportion of people aged 25 years or over receiving a Special Benefit has fallen with age (see [Figure 4.14](#)).

figure 4.14

Trends in the proportion of people aged 18 years or over receiving a Special Benefit, by age



Note

- 1 Proportion shows:
 - a number of people in each age group recorded in SWIFTT as receiving a Special Benefit at the end of June, divided by
 - b Statistics New Zealand final estimate of the resident population in age group at the end of June.

See [Table A3.21](#) (Appendix 3) for a summary of the SWIFTT data underlying [Figure 4.14](#).

Trends in Special Benefits granted

The number of Special Benefits granted each year has increased since 2000/2001, with particularly sharp increases occurring between 2001/2002 and 2003/2004 (see [Table 4.29](#)).

Between 2000/2001 and 2004/2005, the proportion of the Special Benefits granted in each year which were granted to clients receiving (see [Table 4.29](#)):

- carer's benefits has fluctuated between 32% and 41%
- unemployment-related benefits has decreased (from 26% to 19%).

table
4.29

Trends in the type of pension or income-tested benefit paid to clients granted a Special Benefit

| Type of pension or income-tested benefit paid when Special Benefit granted | Special Benefits granted ¹ | | | | |
|--|---------------------------------------|------------------|------------------|------------------|------------------|
| | 2000/2001 Number | 2001/2002 Number | 2002/2003 Number | 2003/2004 Number | 2004/2005 Number |
| Unemployment-related benefits ² | 5,547 | 5,953 | 10,275 | 13,721 | 13,519 |
| Carer's benefits ³ | 6,834 | 8,307 | 21,913 | 29,521 | 26,202 |
| Sickness-related benefit ⁴ | 3,468 | 4,224 | 8,113 | 11,668 | 13,250 |
| Invalid's Benefit | 2,781 | 3,056 | 5,811 | 7,238 | 7,725 |
| Widow's Benefit | 250 | 260 | 626 | 785 | 634 |
| Transitional Retirement Benefit ⁵ | 71 | 58 | 66 | 36 | 0 |
| Emergency Benefit | 413 | 393 | 865 | 1,309 | 1,356 |
| New Zealand Superannuation | 197 | 222 | 609 | 750 | 905 |
| Veteran's Pension | 7 | 6 | 5 | 4 | 2 |
| No pension or income-tested benefit ⁶ | 1,753 | 2,282 | 4,697 | 7,279 | 9,085 |
| Total | 21,321 | 24,761 | 52,980 | 72,311 | 72,678 |

Notes

- 1 Numbers of successful applications for Special Benefits recorded in SWIFTT during years ended June.
- 2 Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to trainees, and Independent Youth Benefits.
- 3 Includes Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.
- 4 Includes Sickness Benefits and Sickness Benefits – Hardship.
- 5 This benefit was abolished on 1 April 2004.
- 6 Includes clients receiving an Orphan's Benefit or an Unsupported Child's Benefit.

Trends in expenditure on Special Benefits

Increases since 2000/2001 in annual expenditure on Special Benefits (see [Table 4.30](#)) reflect changes in the numbers of people receiving a Special Benefit.

table
4.30

Trends in annual expenditure on Special Benefits

| Year ended June | Expenditure on Special Benefits ^{1,2,3} (\$m) |
|-----------------|---|
| 1991/1992 | 53 |
| 1992/1993 | 62 |
| 1993/1994 | 67 |
| 1994/1995 | 80 |
| 1995/1996 | 87 |
| 1996/1997 | 74 |
| 1997/1998 | 59 |
| 1998/1999 | 44 |
| 1999/2000 | 34 |
| 2000/2001 | 39 |
| 2001/2002 | 48 |
| 2002/2003 | 79 |
| 2003/2004 | 137 |
| 2004/2005 | 174 |

Notes

- 1 Expenditure on Special Benefits 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. Special Benefits 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.

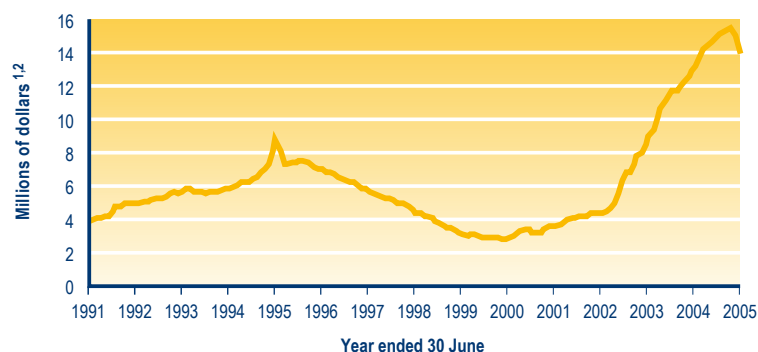
Monthly expenditure on Special Benefits shows little seasonal variation, and tends to follow patterns in the numbers of people receiving a Special Benefit (see [Figure 4.15](#)). The spike in expenditure on Special Benefits around 1995 (see [Figure 4.15](#)) reflects:

- the April 1995 increase in the average rate of Special Benefits, followed by
- the July 1995 transfer to Vote: Health of “maximised” Special Benefits, to cover institutional boarding costs.

Decreases in Special Benefit expenditure in early 2005 reflect increases in the availability of other financial assistance following the introduction of Working for Families, and the consequently reduced demand for Special Benefits and reduced rates of Special Benefits being paid.

figure
4.15

Trends in monthly expenditure on Special Benefits



Notes

- 1 Expenditure is adjusted to payment periods based on a standard 30-day month, and smoothed using a two-month moving average. Special Benefits 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.

Hardship assistance available as lump sums

The hardship assistance available as lump sums consists of:

- Special Needs Grants
- Recoverable Assistance Programme payments
- benefit advances.

Eligibility for lump sum hardship assistance

Special Needs Grants

Special Needs Grants are one-off payments made to those who have an immediate need or an emergency need and 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.

Special Needs Grants are available both to people who are not receiving income-tested benefits and to people who are. Residency, income and cash asset tests apply.

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.

Recoverable Assistance Programme payments

The Recoverable Assistance Programme was introduced on 1 July 1996 to provide recoverable assistance to low-income earners not receiving income-tested benefits. Any low-income earner may apply for assistance with immediate and essential expenses under the Recoverable Assistance Programme.

The Recoverable Assistance Programme was designed to replace most recoverable Special Needs Grants, which had previously been available to people who were not receiving benefits.

The Recoverable Assistance Programme provides non-taxable, interest-free recoverable financial assistance to non-beneficiaries, to enable them to meet essential immediate needs for specific items or 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.

In approving a payment under the Recoverable Assistance Programme, Work and Income staff must:

- consider whether a Recoverable Assistance Programme payment would best meet the immediate need
- investigate other sources of assistance
- investigate the client's ability to repay the Recoverable Assistance Programme payment.

In order to receive Recoverable Assistance Programme payments, clients 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 for qualification for a Recoverable Assistance Programme payment, and the maximum amounts available, vary according to the age and circumstances of the applicant (see [Table 4.31](#)). In exceptional circumstances, clients may be granted a Recoverable Assistance Programme payment if their cash assets exceed the limit shown in [Table 4.31](#).

table
4.31

Income limits, cash asset limits and maximum payments for the Recoverable Assistance Programme (applicable from 1 April 2005)

| Client category | Cash asset limit ¹ | Income limit ^{1,2} | Maximum payment ¹ |
|---|-------------------------------|-----------------------------|------------------------------|
| Single person 16–17 years | \$843.17 | \$20,027 per year | \$1,023.12 |
| Single person 18 years or over | \$843.17 | \$23,017 per year | \$1,264.32 |
| Married couple with or without children | \$1,404.94 | \$33,431 per year | \$2,107.32 |
| Sole parent with one child | \$1,404.94 | \$27,930 per year | \$1,660.92 |
| Sole parent with two or more children | \$1,404.94 | \$29,426 per year | \$1,660.92 |

Notes

¹ Asset limits, income limits and maximum payments applicable from 1 April 2005.

² Income limits shown are gross of income tax.

Maximum payments have been set under the Recoverable Assistance Programme for a number of purposes. The amount of these maximum payments applicable from 1 April 2005 is shown in [Table 4.32](#).

table
4.32**Maximum payments from the Recoverable Assistance Programme for specific purposes (applicable from 1 April 2005)**

| Payment purpose | Status | Maximum payment ¹ |
|--|---------------------------------|------------------------------|
| 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 | \$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 licence – renewals | Client aged under 75 years | \$44.30 |
| | Client aged 75–79 years | \$18.30 |
| | Client aged 80 years or over | \$59.30 |
| Driver licence – 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 exam fees | | \$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 |

Note

1 Maximum payments shown are applicable from 1 April 2005.

Benefit advances

Advance payments of income-tested benefits enable people receiving these benefits to meet one-off immediate and essential needs that they cannot meet from their regular income. The advance is recovered from subsequent payments of the benefit or through ongoing repayments if the client ceases to receive a benefit.

Since 9 October 1995, benefit advances of up to six weeks' worth of the income-tested benefit received have been available to everyone receiving an income-tested benefit. At the same date, most recoverable Special Needs Grants provided to people receiving an income-tested benefit were reclassified as benefit advances.

Trends in the use of lump sum hardship assistance

The annual number of payments of lump sum emergency or hardship assistance decreased between 2003/2004 and 2004/2005, after increasing for the previous four years. The decrease between 2003/2004 and 2004/2005 largely reflects decreases in the use of non-recoverable Special Needs Grants (see [Table 4.33](#)). This in turn reflects the impacts of a combination of:

- decreasing numbers receiving income-tested benefits
- the increased availability and level of supplementary benefits and Family Support resulting from the Working for Families package.

Of the hardship assistance payments provided each year since 2000/2001 (see [Table 4.33](#)):

- between 51% and 53% have been non-recoverable Special Needs Grants
- between 43% and 45% have been benefit advances, which are recoverable.

Since 2000/2001, the number of payments made under the Recoverable Assistance Programme has increased steadily, more than doubling over this period (see [Table 4.33](#)).

table
4.33

Trends in the type of lump sum hardship assistance payments

| Type of lump sum hardship assistance | Lump sum hardship assistance payments ¹ | | | | |
|---|--|---------------------|---------------------|---------------------|---------------------|
| | 2000/2001 Number | 2001/2002 Number | 2002/2003 Number | 2003/2004 Number | 2004/2005 Number |
| Non-recoverable lump sum hardship assistance | | | | | |
| Special Needs Grants (non-recoverable) | 369,229 | 379,890 | 387,791 | 395,746 | 384,893 |
| Recoverable lump sum hardship assistance | | | | | |
| Special Needs Grants (recoverable) | 15,105 | 13,274 | 14,776 | 16,615 | 16,625 |
| Recoverable Assistance Programme | 10,193 | 12,864 | 13,905 | 16,797 | 21,022 |
| Benefit advances | 294,996 | 309,948 | 325,590 | 343,263 | 339,336 |
| Total recoverable assistance | 320,294 | 336,086 | 354,271 | 376,675 | 376,983 |
| All lump sum hardship assistance | | | | | |
| Total lump sum hardship assistance | 689,523 | 715,976 | 742,062 | 772,421 | 761,876 |

Note

¹ Numbers of lump sum hardship assistance payments recorded in SWIFTT in years ended June.

Trends in the use of Special Needs Grants and benefit advances

Of the Special Needs Grants and benefit advances each year since 2000/2001 (see [Table 4.34](#)):

- between 38% and 42% have been paid to people receiving carer's benefits
- a decreasing proportion have been paid to people receiving unemployment-related benefits (16% in 2004/2005, compared with 31% in 2000/2001) (this reflects decreases in numbers receiving these benefits).

table
4.34

Trends in the type of pension or income-tested benefit paid to clients receiving Special Needs Grants or benefit advances

| Type of pension or income-tested benefit paid when Special Needs Grant or benefit advance provided | Payments of Special Needs Grants or benefit advances ¹ | | | | |
|--|---|---------------------|---------------------|---------------------|---------------------|
| | 2000/2001 Number | 2001/2002 Number | 2002/2003 Number | 2003/2004 Number | 2004/2005 Number |
| Unemployment-related benefits ² | 207,477 | 195,025 | 175,568 | 150,148 | 120,735 |
| Carer's benefits ³ | 260,767 | 273,601 | 297,496 | 317,473 | 310,574 |
| Sickness-related benefits ⁴ | 61,179 | 68,808 | 74,604 | 86,756 | 95,567 |
| Invalid's Benefit | 70,288 | 80,958 | 91,466 | 101,025 | 107,346 |
| Widow's Benefit | 6,238 | 6,236 | 6,632 | 7,549 | 7,060 |
| Transitional Retirement Benefit ⁵ | 2,066 | 1,658 | 899 | 243 | 0 |
| Emergency Benefit | 11,224 | 9,863 | 8,808 | 10,445 | 10,030 |
| New Zealand Superannuation | 14,686 | 16,007 | 18,362 | 22,206 | 23,380 |
| Veteran's Pension | 173 | 205 | 232 | 240 | 327 |
| No pension or income-tested benefit ⁶ | 45,232 | 50,751 | 54,090 | 59,539 | 65,835 |
| Total | 679,330 | 703,112 | 728,157 | 755,624 | 740,854 |

Notes

- 1 Numbers of Special Needs Grants and benefit advances recorded in SWIFTT in years ended June.
- 2 Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to trainees, and Independent Youth Benefits.
- 3 Includes Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.
- 4 Includes Sickness Benefits and Sickness Benefits – Hardship.
- 5 This benefit was abolished on 1 April 2004.
- 6 Includes clients receiving an Orphan's Benefit or an Unsupported Child's Benefit.

The total value of Special Needs Grants and benefit advances provided each year decreased slightly between 2003/2004 and 2004/2005, following increases over the previous four years (see [Table 4.35](#)). This reflects trends in the number of non-recoverable Special Needs Grants payments made, as outlined above. The average value of payments made has shown slight increases each year since 2000/2001.

Of the value of Special Needs Grants and benefit advances made each year since 2000/2001 (see [Table 4.35](#)):

- between 42% and 45% was provided to clients receiving carer's benefits
- a decreasing proportion was provided to people receiving unemployment-related benefits (15% in 2004/2005, compared with 28% in 2000/2001) (which reflects decreased use of these benefits).

table
4.35**Trends in the value of Special Needs Grants and benefit advances received by clients paid each type of pension or income-tested benefit**

| Type of pension or income-tested benefit paid when Special Needs Grant or benefit advance provided | Value of Special Needs Grants and benefit advances ¹ | | | | |
|--|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | 2000/2001 Amount (\$000) | 2001/2002 Amount (\$000) | 2002/2003 Amount (\$000) | 2003/2004 Amount (\$000) | 2004/2005 Amount (\$000) |
| Unemployment-related benefits ² | 36,538 | 34,401 | 31,318 | 27,529 | 22,434 |
| Carer's benefits ³ | 54,081 | 56,432 | 61,502 | 67,474 | 66,749 |
| Sickness-related benefits ⁴ | 10,930 | 12,415 | 13,808 | 16,345 | 18,264 |
| Invalid's Benefit | 13,309 | 15,539 | 18,125 | 20,484 | 21,837 |
| Widow's Benefit | 1,259 | 1,279 | 1,390 | 1,668 | 1,565 |
| Transitional Retirement Benefit ⁵ | 465 | 376 | 201 | 61 | 0 |
| Emergency Benefit | 2,480 | 2,263 | 2,020 | 2,337 | 2,311 |
| New Zealand Superannuation | 3,910 | 4,354 | 5,014 | 6,177 | 6,423 |
| Veteran's Pension | 51 | 64 | 71 | 74 | 103 |
| No pension or income-tested benefit ⁶ | 6,587 | 7,378 | 7,966 | 8,948 | 10,222 |
| Total | 129,856 | 134,780 | 141,732 | 151,441 | 149,908 |

Notes

- 1 Dollar value of Special Needs Grants and benefit advances recorded in SWIFTT in years ended June.
- 2 Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to trainees, and Independent Youth Benefits.
- 3 Includes Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.
- 4 Includes Sickness Benefits and Sickness Benefits – Hardship.
- 5 This benefit was abolished on 1 April 2004.
- 6 Includes clients receiving an Orphan's Benefit or an Unsupported Child's Benefit.

Since 2000/2001, around 40% of Special Needs Grants and benefit advances each year have been provided to pay for food, while between 33% and 37% have been provided to assist in “other emergency situations” (see [Table 4.36](#)). Since 2000/2001, however, assistance for “other emergency situations” has accounted for between 51% and 55% of the total value of Special Needs Grants and benefit advances each year, while food has accounted for around 19% of this amount.

table
4.36

Trends in the purpose of Special Needs Grants and benefit advances

| Purpose of Special Needs Grant or benefit advance | Number of Special Needs Grants and benefit advances ¹ | | | | |
|--|--|------------------|------------------|------------------|------------------|
| | 2000/2001 Number | 2001/2002 Number | 2002/2003 Number | 2003/2004 Number | 2004/2005 Number |
| Advances | 8,124 | 8,669 | 9,403 | 9,883 | 9,398 |
| Disabled Civilian Amputee ² | 128 | 140 | 118 | 104 | 59 |
| Food | 274,601 | 287,167 | 295,243 | 302,260 | 299,739 |
| Funeral Grants | 13 | 31 | 21 | 23 | 27 |
| Health-related assistance | 8,935 | 10,070 | 12,577 | 14,955 | 15,752 |
| Home help payments ² | 4 | 9 | 8 | 13 | 16 |
| Lump sum payment on death ² | 0 | 0 | 0 | 0 | 0 |
| Live organ donors (income assistance) | 0 | 0 | 0 | 0 | 13 |
| Medical and associated costs | 83,196 | 86,721 | 89,254 | 94,390 | 89,518 |
| Other emergency situations | 237,371 | 247,961 | 259,765 | 274,081 | 270,154 |
| Payments for goods or services | 2,186 | 1,503 | 1,127 | 904 | 583 |
| People affected by benefit stand downs | 6,967 | 2,921 | 2,297 | 2,808 | 2,651 |
| Re-establishment accommodation element | 649 | 588 | 659 | 612 | 637 |
| Re-establishment grants | 11,440 | 11,350 | 11,365 | 11,077 | 11,073 |
| Rural sector (including Civil Defence Emergencies) | 18 | 31 | 20 | 267 | 289 |
| Sickness Benefit/Invalid's Benefit assessment travel | 182 | 184 | 205 | 220 | 192 |
| School education costs | 35,480 | 36,437 | 38,735 | 36,835 | 34,287 |
| Special Education Service ³ | 5,910 | 5,102 | 2,711 | 16 | 0 |
| Terminal benefit arrears ² | 0 | 0 | 0 | 2,565 | 2,139 |
| Transfer to New Zealand Superannuation | 513 | 684 | 723 | 626 | 592 |
| Urgent house repairs and maintenance | 3,613 | 3,544 | 3,926 | 3,978 | 3,704 |
| Youth transition | 0 | 0 | 0 | 7 | 31 |
| Total | 679,330 | 703,112 | 728,157 | 755,624 | 740,854 |

Notes

- 1 Numbers 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 4.38 and Figure 4.16 below do not include expenditure on these items as Special Needs Grants expenditure.
- 3 Transferred to other payment codes from July 2002.

Trends in use of the Recoverable Assistance Programme

Increases since 2000/2001 in the total value of Recoverable Assistance Programme payments made (see [Table 4.37](#)) largely reflect increases in the number of payments made. The average value of payments made has only shown slight increases in the last three years (see [Table 4.37](#)).

table
4.37

Trends in the total and average value of assistance provided under the Recoverable Assistance Programme

| Level of assistance under Recoverable Assistance Programme | Level of assistance provided under the Recoverable Assistance Programme | | | | |
|--|---|-----------|-----------|-----------|-----------|
| | 2000/2001 | 2001/2002 | 2002/2003 | 2003/2004 | 2004/2005 |
| Amount (\$000) ¹ | 3,081 | 3,888 | 4,335 | 5,375 | 6,837 |
| Number of payments ² | 10,193 | 12,864 | 13,905 | 16,797 | 21,022 |
| Average value per payment (\$) | 302 | 302 | 312 | 320 | 325 |

Notes

¹ Total expenditure on Recoverable Assistance Programme payments in years ended June.

² Numbers of Recoverable Assistance Programme payments recorded in SWIFTT in years ended June.

Trends in expenditure on lump sum hardship assistance

Special Needs Grants

Please note that the expenditure data in [Table 4.38](#) includes expenditure on recoverable Special Needs Grants that were:

- provided to recipients of income-tested benefits prior to 9 October 1995
- subsequently reclassified as benefit advances.

Increases between 1997/1998 and 2003/2004 in expenditure on Special Needs Grants (see [Table 4.38](#)) reflect increases in the numbers of Special Needs Grants arising from:

- increases between 1998/1999 and 1999/2000 in the number of Special Needs Grants provided, including assistance to:
 - students awaiting Student Allowances
 - people who had made provision for possible disruption in the transition to the year 2000
- the declining real value of Family Income Assistance and of Accommodation Supplements
- demand for Special Needs Grants for food, which has remained at the levels reached during transition to the year 2000.

A levelling-off of expenditure on Special Needs Grants in 2004/2005 reflects a decrease in the number of non-recoverable Special Needs Grants paid compared with the preceding year, as outlined above.

table
4.38

Trends in annual expenditure on Special Needs Grants

| Year ended June | Expenditure on Special Needs Grants ^{1,2,3} (\$m) |
|-----------------|--|
| 1991/1992 | 16 |
| 1992/1993 | 40 |
| 1993/1994 | 38 |
| 1994/1995 | 44 |
| 1995/1996 | 58 |
| 1996/1997 | 40 |
| 1997/1998 | 39 |
| 1998/1999 | 40 |
| 1999/2000 | 44 |
| 2000/2001 | 46 |
| 2001/2002 | 47 |
| 2002/2003 | 48 |
| 2003/2004 | 50 |
| 2004/2005 | 50 |

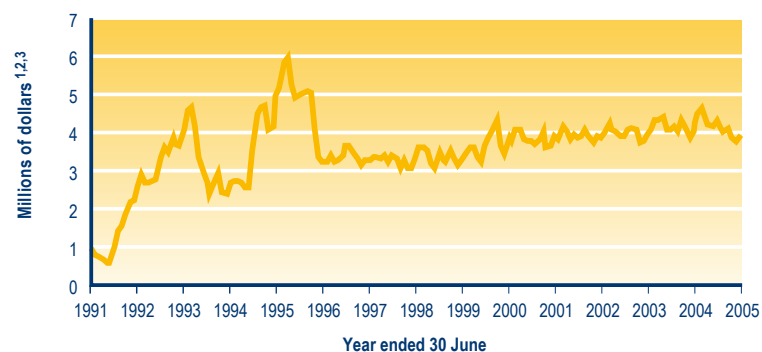
Notes

- 1 Expenditure on recoverable and non-recoverable Special Needs Grants in years ended June. These figures may differ from expenditure on Special Needs 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.

Monthly expenditure on Special Needs Grants shows significant variation (see [Figure 4.16](#)). This reflects variation in the number of Special Needs Grants made.

figure
4.16

Trends in 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 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.

Benefit advances and Recoverable Assistance Programme payments

Increases since 1998/1999 in annual expenditure on benefit advances and Recoverable Assistance Programme payments (see [Table 4.39](#)) reflect:

- patterns in the number of people receiving pensions or income-tested benefits
- patterns in the level of assistance provided.

The higher levels of expenditure on benefit advances and Recoverable Assistance Programme payments during and after 1995/1996 compared with earlier years reflect the expanded availability of benefit advances from 9 October 1995.

table
4.39

Trends in annual expenditure on benefit advances and Recoverable Assistance Programme payments

| Year ended June | Expenditure on benefit advances and Recoverable Assistance Programme payments ^{1,2,3} (\$m) |
|-----------------|--|
| 1991/1992 | 21 |
| 1992/1993 | 50 |
| 1993/1994 | 48 |
| 1994/1995 | 48 |
| 1995/1996 | 82 |
| 1996/1997 | 88 |
| 1997/1998 | 81 |
| 1998/1999 | 75 |
| 1999/2000 | 79 |
| 2000/2001 | 87 |
| 2001/2002 | 91 |
| 2002/2003 | 103 |
| 2003/2004 | 106 |
| 2004/2005 | 107 |

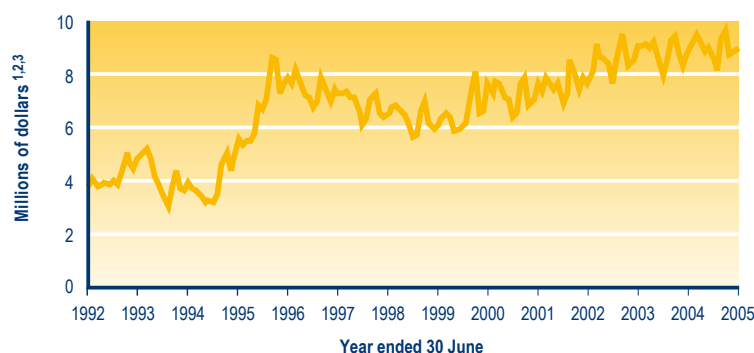
Notes

- 1 Expenditure on benefit advances and Recoverable Assistance Programme payments in years ended June.
- 2 Expenditure has been smoothed using a two-month moving average. Benefit advances 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.

Significant variation in monthly expenditure on benefit advances and Recoverable Assistance Programme payments (see [Figure 4.17](#)) reflects seasonal variation in the number of benefit advances made.

figure
4.17

Trends in monthly expenditure on benefit advances and Recoverable Assistance Programme payments



Notes

- 1 Expenditure on benefit advances and Recoverable Assistance Programme payments in years ended June.
- 2 Expenditure is adjusted for the number of benefit advances and Recoverable Assistance Programme payments made during the month and smoothed using a two-month moving average. Benefit advances and Recoverable Assistance Programme 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.

Student Allowance Transfer Grant

Student Allowance Transfer Grants are available to clients (or their partners) if they are in hardship during the stand-down week between ceasing receiving a Student Allowance and their first payment of an income-tested benefit. Student Allowance Transfer Grants were introduced on 1 October 2002.

Eligibility for Student Allowance Transfer Grants

To qualify for a Student Allowance Transfer Grant, clients 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)
- be applying for an income-tested 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, or
 - the tertiary provider has lost their accreditation
- 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.

The amount of the grant payable in the stand-down week is one week of the income-tested 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).

Income and asset limits for the Student Allowance Transfer Grant (see [Table 4.40](#)) depend on the circumstances of the client.

table
4.40**Asset and income limits for Student Allowance Transfer Grants
(applicable from 1 April 2005)**

| Circumstances of client | Income limit ¹ | Asset limit ² |
|--|---------------------------|--------------------------|
| Married couple, without dependent children | \$270.26 | \$1,404.94 |
| Married couple, with dependent children | None | \$1,404.94 |
| Sole parent, with one child | None | \$1,107.11 |
| Sole parent, with two or more children | None | \$1,189.27 |

Notes

- 1 Income limits (per week before tax) at 1 April 2005.
- 2 Asset limits at 1 April 2005.

The Student Allowance Transfer Grant is non-recoverable and non-taxable.

Number of Student Allowance Transfer Grants provided

The annual number of Student Allowance Transfer Grants provided has decreased since 2002/2003 (see [Table 4.41](#)), reflecting decreases in the number of students receiving a Student Allowance. Of the Student Allowance Transfer Grants provided in each of the last three years, around 93% were provided to students who were transferring from a Student Allowance to an unemployment-related benefit (see [Table 4.41](#)).

The use of, and expenditure on, Student Allowance Transfer Grants is highly seasonal, with nearly 90% of these grants made between November and January.

table
4.41**Trends in the type of income-tested benefit applied for by clients granted a Student Allowance Transfer Grant**

| Type of income-tested benefits applied for when Student Allowance Transfer Grant granted | Student Allowance Transfer Grants provided ¹ | | |
|--|---|---------------------|---------------------|
| | 2002/2003 ² Number | 2003/2004 Number | 2004/2005 Number |
| Unemployment-related benefits ³ | 2,518 | 2,206 | 1,861 |
| Carer's benefits ⁴ | 121 | 87 | 67 |
| Sickness-related benefits ⁵ | 0 | 2 | 0 |
| Invalid's Benefit | 45 | 33 | 37 |
| Widow's Benefit | 0 | 0 | 1 |
| Transitional Retirement Benefit ⁶ | 0 | 0 | 0 |
| Emergency Benefit | 8 | 4 | 8 |
| No income-tested benefit ⁷ | 10 | 8 | 11 |
| Total | 2,702 | 2,340 | 1,985 |

Notes

- 1 Numbers of Student Allowance Transfer Grants provided in years ended June.
- 2 Includes nine months 1 October 2002 – 30 June 2003.
- 3 Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to trainees, and Independent Youth Benefits.
- 4 Includes Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.
- 5 Includes Sickness Benefits and Sickness Benefits – Hardship.
- 6 This benefit was abolished on 1 April 2004.
- 7 Includes clients receiving an Orphan's Benefit or an Unsupported Child's Benefit.

Expenditure on Student Allowance Transfer Grants

Since 2002/2003, total expenditure on Student Allowance Transfer Grants has declined, while the average size of each grant has increased slightly (see [Table 4.42](#)). The decrease in expenditure on Student Allowance Transfer Grants largely reflects decreases in the number of students receiving a Student Allowance.

table
4.42

Trends in annual expenditure on Student Allowance Transfer Grants

| | Expenditure on Student Allowance Transfer Grants ¹ | | |
|--------------------------------|---|---------------------|---------------------|
| | 2002/2003 ² Amount | 2003/2004 Amount | 2004/2005 Amount |
| Total expenditure (\$000) | 640 | 573 | 495 |
| Average value per payment (\$) | 237 | 245 | 249 |

Notes

- 1 Expenditure on Student Allowance Transfer Grants recorded in SWIFTT during the year ended June.
- 2 Includes nine months' expenditure on Student Allowance Transfer Grants (from 1 October 2002 to 30 June 2003).

Section 5 Services to students

Assistance available to students

MSD provides assistance to students through its StudyLink service line. The eligibility of students for this assistance depends on the age and circumstances of the student as well as the nature of the course they are undertaking and of the education provider at which they are enrolled.

MSD assistance that is available to students comprises:

- Student Allowances
- Student Loans
- income-tested benefits during study breaks
- supplementary benefits
- scholarships
- job search assistance during study breaks.ⁱⁱ

This report entered publication before the end of the 2005 academic year and is therefore restricted to information up to the end of the 2004 academic year.

Student Allowances

The Student Allowances Scheme was introduced in 1989 to provide living support for New Zealand students studying full-time toward recognised tertiary qualifications and for adults studying full-time at secondary school. The aim of the scheme is 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 socio-economic groups.

Eligibility for Student Allowances

Student Allowances are available to people who are:

- aged 18 years or over, or aged 16–17 if they meet criteria based on their circumstances
- enrolled as a full-time student
- on a recognised programme at an approved education provider
- either:
 - a New Zealand citizen, or
 - a permanent resident of New Zealand who has lived in New Zealand for at least two years and has held “permanent residency status” for at least two years.

Income tests are applied to the Student Allowance received by the student and the income of the student’s spouse (if any). An income test is also applied to the income of the parents of most students who have no children and who are aged under 25 years. Tests of academic achievement (to secure continued access to a Student Allowance) also apply.

Students who are not studying full-time may be eligible for a Student Allowance 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.

If a student is eligible for a Student Allowance and is living away from home, they are entitled to an Accommodation Benefit payable under the Student Allowances Scheme. This is a contribution towards their accommodation costs, up to a maximum of \$40 per week or \$60 per week for single students with a child or children.

ⁱⁱ The majority of tertiary students use Student Job Search to assist in finding employment during long study breaks.

With the introduction of NCEA level 3 in 2004, Bursary examinations are no longer held. Because of this:

- no new Bursaries will be awarded after 2003
- no students are eligible to receive Bursary payments from 2005, except where they are claiming an entitlement relating to an award made during or before 2003.

“A” and “B” Bursaries were replaced by the new Top Scholar Scheme in 2005.

Payment rates for Student Allowances

Student Allowances are available at different rates depending on the circumstances of the student and on their assumed living costs. For students who are living with one or both parents, Student Allowances are paid at a discounted rate to reflect the lower living costs these students are likely to experience compared with students living away from home.

Table 5.1 shows the maximum net rate at which Student Allowances were paid between 1 April 2004 and the end of the 2004 academic year.

**table
5.1**

**Maximum payment rates for Student Allowances
(applicable during 2004 academic year)¹**

| Type of Student Allowance | Status | No children | One child | Two or more children |
|--|----------------------|-------------|-----------|----------------------|
| Single 16–24 years | Away from home | \$136.79 | | |
| | At home | \$109.43 | | |
| Single 25+ years | Away from home | \$164.16 | | |
| | At home | \$131.31 | | |
| Couple allowance – both students, no children | One eligible | \$164.16 | | |
| | Both eligible (each) | \$136.79 | | |
| Couple allowance – dependent spouse, no children | | \$273.58 | | |
| Single student with dependent children | | | \$235.12 | \$256.12 |
| Couples – both students with dependent children | One eligible | | \$235.12 | \$256.12 |
| | Both eligible (each) | | \$145.36 | \$145.36 |
| Couples – dependent spouses with dependent children | | | \$290.72 | \$290.72 |
| Students in independent circumstances | | \$136.70 | | |
| Earning spouse | Away from home | \$88.34 | \$88.34 | \$88.34 |
| | At home | \$59.31 | \$59.31 | \$59.31 |

Note

¹ Maximum rates payable from 1 April 2004, net of tax.

Trends in the number of students receiving a Student Allowance

Decreases over the last two years in the total number of students receiving a Student Allowance (see **Table 5.2**) may reflect a number of factors, including the impact of parental income limits remaining unchanged for a number of years and increased personal income verification by StudyLink.

Of the Student Allowance recipients in each year since 2000 (see **Table 5.2**):

- between 51% and 54% have been receiving a targeted allowance for living away from home
- a decreasing proportion have been 16–24 year olds receiving targeted allowances (40% in 2004, compared with 48% in 2000).

table
5.2**Trends in the type of Student Allowances received**

| Type of Student Allowance received | Students receiving Student Allowances ¹ | | | | |
|---|--|----------------|----------------|----------------|----------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| Single 16–24 years – targeted away from home | 20,722 | 20,312 | 18,910 | 16,349 | 14,742 |
| Single 16–24 years – targeted at home | 12,124 | 12,460 | 11,847 | 10,407 | 9,555 |
| Single 25+ years – targeted away from home | 15,884 | 17,200 | 17,462 | 16,822 | 16,260 |
| Single 25+ years – targeted at home | 2,106 | 2,260 | 2,272 | 2,129 | 1,977 |
| Couple allowance – both students, no children | 917 | 800 | 820 | 876 | 1,054 |
| Couple allowance – dependent spouse, no children | 1,438 | 1,660 | 1,706 | 1,728 | 1,722 |
| Single student with dependent children | 1,538 | 1,771 | 1,843 | 1,846 | 1,756 |
| Couples – both students with dependent children | 830 | 796 | 737 | 748 | 836 |
| Couples – dependent spouses with dependent children | 5,032 | 4,960 | 4,680 | 4,176 | 4,028 |
| Students in independent circumstances | 5,970 | 6,468 | 7,087 | 7,685 | 7,594 |
| Earning spouse – at home | 1,327 | 1,398 | 1,369 | 1,153 | 1,193 |
| Earning spouse – away from home | 196 | 146 | 136 | 117 | 109 |
| Total | 68,084 | 70,231 | 68,869 | 64,036 | 60,826 |

Note

1 Numbers of students recorded as receiving Student Allowances during years ended 31 December.

Trends in expenditure on Student Allowances

Decreases between 2002 and 2004 in expenditure on Student Allowances (see [Table 5.3](#)) reflect decreases in the number of students receiving Student Allowances.

table
5.3**Trends in annual expenditure on Student Allowances**

| | Expenditure on Student Allowances ¹ | | | | |
|-------------------------|--|----------------|----------------|----------------|----------------|
| | 2000 Amount | 2001 Amount | 2002 Amount | 2003 Amount | 2004 Amount |
| Total expenditure (\$m) | 397 | 367 | 367 | 351 | 341 |

Note

1 Expenditure on Student Allowances (excluding Accommodation Benefit) during years ended 31 December.

Student Loans

The Student Loan Scheme was introduced in 1992 to assist students studying at tertiary level. The purpose of the scheme is to ensure that the costs of study are not a barrier to students undertaking tertiary study.

Eligibility for Student Loans

Student Loans are available to people who are:

- New Zealand citizens, permanent residents or refugees
- enrolled on a tertiary course approved by the Ministry of Education that is:
 - full-time or approved limited full-time
 - part-time and 32 weeks or longer, or
 - part-time and less than 32 weeks, so long as the course meets a minimum course workload value.

To receive Student Loan living costs, students must be enrolled in a full-time or approved limited full-time course. Students enrolled on courses that are part-time and 32 weeks or longer may receive a loan for fees and course-related costs only. Students enrolled on courses that are part-time and less than 32 weeks can only receive a Student Loan for fees. Full-time students can receive a loan for course fees, course-related costs, and living costs to a maximum of \$150 per week. If a student or their partner receives a Student Allowance of \$150 a week or more after tax, they may receive a Student Loan only for compulsory fees and course-related costs.

People who are currently bankrupt or who are on a course already paid for by the Government (such as Training Opportunities) are not eligible to receive a Student Loan.

Prisoners are eligible to access Student Loans 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.

Accessibility of funds through Student Loans

Limits have been established that prescribe maximum drawings that students may make from their Student Loan (see [Table 5.4](#)).

table
5.4

**Maximum amount available for Student Loans, by component
(applicable over the 2004 academic year)**

| Component of Student Loan | Maximum amounts available |
|---|---------------------------|
| Course fees (annual) ¹ | Total fee cost |
| Course-related expenses (annual) ² | \$1,000.00 |
| Living costs (weekly) ³ | \$150.00 |

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 expenses 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.

Trends in the number of students making drawings against Student Loans

This section shows information about students making drawings against Student Loans during the calendar years (ended 31 December) indicated. It excludes information about drawings made against Student Loans in earlier calendar years, and therefore does not show the total levels of debt that students have accumulated through the Student Loan Scheme.

Increases since 2000 in the number of students making drawings against Student Loans (see [Table 5.5](#)) reflect increased uptake of Student Loans. Of students making drawings against Student Loans in each of the last five years:

- around 44% drew a total of less than \$5,000 over the calendar year, while between 36% and 40% drew between \$5,000 and \$10,000 (see [Table 5.5](#))
- an increasing proportion were not receiving a Student Allowance (69% in 2004, compared with 59% in 2000) (see [Table 5.6](#))
- a decreasing proportion were receiving a targeted Student Allowance for living away from home (16% in 2004, compared with 23% in 2000) (see [Table 5.6](#))
- between 46% and 50% were attending a university, while between 26% and 30% were attending a polytechnic (see [Table 5.7](#)).

table
5.5

Trends in the annual amount per student drawn against Student Loans

| Amount drawn against Student Loan | Students making drawings against Student Loans ¹ | | | | |
|-----------------------------------|---|----------------|----------------|----------------|----------------|
| | 2000 Number | 2001 Number | 2002 Number | 2003 Number | 2004 Number |
| Under \$5,000 | 57,752 | 65,223 | 68,111 | 70,428 | 70,233 |
| \$5,000 – <10,000 | 51,115 | 58,307 | 56,056 | 57,143 | 56,975 |
| \$10,000 – <15,000 | 17,929 | 22,612 | 23,899 | 26,089 | 27,539 |
| \$15,000 – <20,000 | 901 | 1,484 | 1,608 | 1,515 | 1,507 |
| \$20,000 – <30,000 | 317 | 346 | 430 | 407 | 428 |
| \$30,000 – <40,000 | 75 | 71 | 119 | 142 | 115 |
| \$40,000 – <50,000 | 2 | 19 | 85 | 116 | 89 |
| \$50,000 or over | 16 | 80 | 218 | 410 | 146 |
| Total | 128,107 | 148,142 | 150,526 | 156,250 | 157,032 |

Note

¹ Numbers of students recorded as making drawings against Student Loans during years ended 31 December.

table
5.6**Trends in the type of Student Allowances received by students making drawings against Student Loans**

| Type of Student Allowance received when drawing made against Student Loan | Students making drawings against Student Loans ¹ | | | | |
|---|---|----------------|----------------|----------------|----------------|
| | 2000 Number | 2001 Number | 2002 Number | 2003 Number | 2004 Number |
| Single 16–24 years – targeted away from home | 16,377 | 16,966 | 15,943 | 13,861 | 12,487 |
| Single 16–24 years – targeted at home | 7,817 | 8,512 | 8,171 | 7,362 | 6,817 |
| Single 25+ years – targeted away from home | 12,823 | 14,229 | 14,034 | 13,553 | 13,084 |
| Single 25+ years – targeted at home | 1,493 | 1,695 | 1,691 | 1,555 | 1,480 |
| Couple allowance – both students, no children | 724 | 667 | 689 | 758 | 917 |
| Couple allowance – dependent spouse, no children | 1,103 | 1,270 | 1,296 | 1,320 | 1,330 |
| Single student with dependent children | 1,319 | 1,571 | 1,591 | 1,589 | 1,449 |
| Couples – both students with dependent children | 689 | 685 | 652 | 641 | 694 |
| Couples – dependent spouses with dependent children | 3,901 | 3,919 | 3,636 | 3,259 | 2,998 |
| Students in independent circumstances | 4,787 | 5,455 | 6,009 | 6,648 | 6,590 |
| Earning spouse – at home | 1,094 | 1,184 | 1,145 | 933 | 953 |
| Earning spouse – away from home | 154 | 121 | 109 | 99 | 91 |
| Not receiving any Student Allowance | 75,826 | 91,868 | 95,560 | 104,672 | 108,142 |
| Total | 128,107 | 148,142 | 150,526 | 156,250 | 157,032 |

Note

¹ Numbers of students recorded as making drawings against Student Loans during years ended 31 December.

table
5.7**Trends in the type of institutions attended by students making drawings against Student Loans**

| Type of institution attended when drawing made against Student Loan | Students making drawings against Student Loans ¹ | | | | |
|---|---|----------------|----------------|----------------|----------------|
| | 2000 Number | 2001 Number | 2002 Number | 2003 Number | 2004 Number |
| College of Education | 5,143 | 5,279 | 5,457 | 5,559 | 5,314 |
| Polytechnic | 38,001 | 40,637 | 41,787 | 41,727 | 40,013 |
| Private Training Establishment | 17,335 | 28,404 | 25,551 | 27,485 | 28,459 |
| University | 63,933 | 68,384 | 71,451 | 73,774 | 74,671 |
| Wānanga | 2,003 | 2,826 | 3,671 | 4,559 | 4,587 |
| Polytechnic and university ² | 383 | 691 | 736 | 929 | 1,192 |
| Polytechnic and other institution(s) ² | 262 | 943 | 964 | 1,113 | 1,252 |
| University and other institution(s) ² | 290 | 745 | 731 | 843 | 1,203 |
| Polytechnic, university and other institution(s) ² | 2 | 35 | 31 | 32 | 45 |
| Miscellaneous combination ² | 32 | 162 | 137 | 217 | 284 |
| Unknown | 723 | 36 | 10 | 11 | 6 |
| Total | 128,107 | 148,142 | 150,526 | 156,250 | 157,032 |

Notes

- 1 Numbers of students recorded as making drawings against Student Loans during years ended 31 December.
- 2 Students may enrol to study at more than one institution at the same time. In these cases, Table 5.8 shows all types of institutions where students are enrolled at the time of making a drawing against a Student Loan.

Trends in the purpose of drawings against Student Loans

Please note that the numbers of students making drawings against each component of their Student Loan do not add to the total number of students making one or more drawings shown in **Tables 5.5–5.7** above. This is because a student may make drawings against more than one Student Loan component (eg course fees and living costs) during the same academic year.

The number of students making drawings against course fees each year has risen since 2000 (see **Table 5.8**), reflecting increases in the total number of students making drawings against Student Loans.

The numbers of students making drawings against course-related costs and against living expenses, however, each decreased slightly in 2004 after rising between 2000 and 2003 (see **Table 5.8**). This may reflect the impact of:

- an increase in the number of part-time students, who have lower entitlements under the Student Loan scheme, face lower costs, and are more likely to finance their studies from other sources
- strengthening economic conditions, which provide greater opportunity for students to obtain part-time work while studying
- the StudyWise initiative implemented by StudyLink, which encourages students to budget for the costs of education, consider the costs of borrowing, and explore alternative options when financing their study.

table
5.8**Trends in the number of drawings made against Student Loan components**

| Student Loan component | Number of students making drawings against Student Loan components ¹ | | | | |
|------------------------|---|----------------|----------------|----------------|----------------|
| | 2000 Number | 2001 Number | 2002 Number | 2003 Number | 2004 Number |
| Course fees | 122,833 | 138,334 | 139,323 | 144,678 | 145,549 |
| Course-related costs | 72,591 | 94,319 | 96,563 | 101,644 | 98,506 |
| Living expenses | 70,982 | 77,405 | 77,699 | 79,373 | 77,507 |

Note

¹ Numbers of students making drawings against Student Loan components during years ended 31 December.

Section 6 Additional information

Community Services Cards

Introduction

The Community Services Card is an entitlement card available to people on low to middle incomes or receiving income support. The card may be used to obtain higher subsidies on doctors' fees and prescriptions and to access secondary health services from public hospitals.

People receiving income-tested benefits, Veteran's Pensions and the Residential Care Subsidy automatically receive a Community Services Card (and subsequent replacement cards), so they do not have to complete application forms. Most students in receipt of a Student Allowance are also issued cards automatically.

People who are working need to complete an application form in order to have their eligibility for a Community Services Card assessed. People receiving New Zealand Superannuation must apply for their first Community Services Card. Once the first application has been made, card renewal is automatic for more than 80% of people receiving New Zealand Superannuation.

The Ministry of Health commenced the implementation of Primary Health Organisations (PHOs) from 1 July 2002. The establishment of PHOs has affected the number of cards issued. There are two kinds of PHOs:

- "access" organisations, which receive maximum funding and whose patients are fully subsidised. People enrolled with an access PHO rarely need their Community Services Card for primary care services (GP visits and prescriptions), although the card is still necessary in order to access other health services
- "interim" organisations, which are partially funded. People enrolled with these PHOs may require a Community Services Card in order to gain the full subsidy available.

Ministry of Health officials have advised that, as additional subsidy funding is allocated to all PHOs across New Zealand, the need to use a Community Services Card in order to access subsidies for primary health services will reduce. It is anticipated that, by July 2009, the Community Services Card may be phased out as a means for obtaining primary health service subsidies.

In August 2005, the Ministry of Health released its National Travel Assistance policy, which included the Community Services Card as a component of its eligibility criteria. This policy is effective from 1 January 2006.

During the transition period, the Ministry of Health has charged MSD with ensuring that all people who are eligible for the Community Services Card are encouraged to apply for and retain their cards.

Trends in the number of Community Services Cards on issue

Decreases since 2001 in the number of Community Services Cards on issue (see [Table 6.1](#)) reflect several factors, including:

- the decrease in the number of people receiving income-tested benefits
- increases in ordinary weekly wages, which mean fewer families are eligible for cards
- the ongoing establishment of PHOs, which means that fewer people need a card to access subsidies on primary health services.

Of the holders of Community Services Cards each year since 2001 (see [Table 6.1](#)):

- between 40% and 44% have been receiving an income-tested benefit
- around 29% have been receiving New Zealand Superannuation.

table
6.1**Trends in the category of clients holding Community Services Cards**

| Category of clients cards are issued to | Community Services Cards on issue ¹ | | | | |
|--|--|------------------|------------------|------------------|------------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| Low-income earners ² | 108,011 | 108,430 | 104,894 | 83,791 | 75,640 |
| Family Support recipients ³ | 132,822 | 145,047 | 141,717 | 132,951 | 130,874 |
| War Pension recipients | 5,669 | 5,395 | 5,355 | 5,389 | 5,169 |
| Students ² | na | na | 14,736 | 41,390 | 43,660 |
| Income-tested benefit recipients ^{4,5} | 500,424 | 482,031 | 463,823 | 435,009 | 409,608 |
| New Zealand Superannuation recipients ⁶ | 329,585 | 311,211 | 311,018 | 310,133 | 305,810 |
| Residential Care Subsidy recipients | 22,730 | 19,747 | 19,743 | 19,640 | 19,419 |
| Families | 29,359 | 26,612 | 27,674 | 24,958 | 24,260 |
| Total | 1,128,600 | 1,098,473 | 1,088,960 | 1,053,261 | 1,014,440 |

Notes

- Number of Community Services Cards on issue at 30 June.
- Between July 2000 and June 2003, "low-income" included students receiving a Student Allowance who were granted a Community Services Card as low-income earners. Since June 2003, most students who receive a Student Allowance have had cards automatically issued.
- "Family Support" includes both Group 1 (unabated) and Group 2 (abated) Family Support recipients, who have both been subsidised at Group 1 Family Support levels since July 1993.
- "Income-tested benefits" includes students receiving an Unemployment Benefit – Hardship – Student or an Emergency Benefit.
- The number of people in receipt of an income-tested benefit as at 30 June does not correspond with the number of such people issued with a Community Services Card shown above. This is because the above numbers include:
 - spouses of people receiving income-tested benefits
 - people who ceased receiving income-tested benefits in the last 12 months whose card has an expiry date after the cessation of their benefit.
- The number of people receiving New Zealand Superannuation does not correspond with the number of New Zealand Superannuation recipients issued with a Community Services Card shown above. This is because income tests for a Community Services Card exclude some people who receive New Zealand Superannuation from receiving a card.

Trends in the number of Community Services Cards manually issued and renewed

Decreases since 2000/2001 in the number of new Community Services Cards manually issued each year (see [Table 6.2](#)) reflect the impact of:

- the ongoing establishment of PHOs, which reduces the need for patients to hold Community Services Cards
- higher average weekly wages, which mean that fewer families are now eligible for cards.

The number of cards issued to families with children increased between 2003/2004 and 2004/2005 (see [Table 6.2](#)), reflecting the impact of the Working for Families package through:

- increased numbers of families being entitled to Family Assistance
- families being made aware of their entitlement to Family Assistance and to a Community Services Card.

Of the new Community Services Cards manually issued each year since 2000/2001 (see [Table 6.2](#)):

- between 42% and 45% were issued to low-income earners and students
- between 32% and 36% were issued to clients receiving Family Support.

Since 2000/2001, between 72% and 77% of the Community Services Cards reissued each year have been provided to low-income earners and students (see [Table 6.2](#)).

table
6.2**Trends in the number of manual issues and renewals of Community Services Cards**

| Type of new and renewed Community Services Cards | Community Services Cards manually issued and renewed ¹ | | | | |
|--|---|------------------|------------------|------------------|------------------|
| | 2000/2001 Number | 2001/2002 Number | 2002/2003 Number | 2003/2004 Number | 2004/2005 Number |
| New cards | | | | | |
| Low-income earners and students | 60,119 | 63,919 | 61,762 | 50,955 | 48,672 |
| Family Support recipients ² | 50,069 | 48,664 | 45,093 | 39,682 | 41,331 |
| New Zealand Superannuation recipients | 12,235 | 11,781 | 13,328 | 12,755 | 10,645 |
| Families | 18,526 | 17,498 | 19,094 | 16,430 | 16,481 |
| Total | 140,949 | 141,862 | 139,277 | 119,822 | 117,129 |
| Renewed cards | | | | | |
| Low-income earners and students | 59,326 | 58,076 | 57,053 | 48,598 | 41,097 |
| Family Support recipients ² | na | na | na | na | na |
| New Zealand Superannuation recipients | 11,351 | 12,089 | 9,921 | 7,316 | 6,970 |
| Families | 11,176 | 8,640 | 8,452 | 7,404 | 6,548 |
| Total | 81,853 | 78,805 | 75,426 | 63,318 | 54,615 |
| All cards issued and renewed | | | | | |
| Total (includes issue of renewed cards) | 222,802 | 220,667 | 214,703 | 183,140 | 171,744 |

Notes

- Numbers of new Community Services Cards manually issued and Community Services Cards renewed in years ended 30 June.
- All cards manually issued to Family Support recipients (both new cards and renewals) are coded as new cards. Separate counts of renewals of cards held by Family Support recipients are not available.

The recent announcement by the Ministry of Health that the card will be used as proof of eligibility under the National Travel Assistance Policy may also result in more applications for cards being made.

Trends in expenditure on Community Services Cards

Expenditure on claims for partial reimbursement of health charges under the Community Services Card Scheme is affected by a number of factors, including:

- seasonal variations (eg a mild winter tends to mean fewer claims than otherwise)
- the presence or absence of clusters of claims from or on behalf of high users, which can also affect trends across years.

Expenditure on Community Services Card reimbursements has (see [Table 6.3](#)):

- fluctuated between 2000/2001 and 2003/2004
- decreased between 2003/2004 and 2004/2005 (this reflects, at least in part, the ongoing implementation of PHOs as well as the other factors outlined above).

table
6.3**Trends in annual expenditure on Community Services Cards**

| | Expenditure on Community Services Cards ^{1,2} | | | | |
|-------|--|--------------------------|--------------------------|--------------------------|--------------------------|
| | 2000/2001 Amount (\$000) | 2001/2002 Amount (\$000) | 2002/2003 Amount (\$000) | 2003/2004 Amount (\$000) | 2004/2005 Amount (\$000) |
| Total | 330 | 318 | 326 | 318 | 227 |

Notes

- MSD expenditure on partial claims against Community Services Cards in years ended 30 June.
- MSD expenditure on Community Services Card subsidies is reimbursed by the Ministry of Health.

As the establishment of PHOs continues and the number of people who are eligible for subsidised primary health services without the need for a Community Services Card increases, it is anticipated that there will be a reduction in the number of reimbursement claims received.

Benefit Control

Background

The Benefit Control Unit covers activities to protect the integrity of the benefit system offered by MSD. Activities include:

- preventing fraud and abuse
- conducting early intervention interviews
- identifying discrepancies through data matching
- investigating suspected irregularities
- deterring abuse of the benefit system
- sanctioning persons involved in abuse of the benefit system.

Data matching is currently undertaken with Inland Revenue, the Department of Corrections, the New Zealand Customs Service and the Department of Internal Affairs. The purpose of these matches is to detect clients who are or have been in receipt of benefits or financial assistance to which they may not be entitled. There are plans to extend the range of agencies with which MSD matches data. The next new data matches to be implemented will involve marriages data held by the Department of Internal Affairs and data held by ACC. These matches will commence during the 2005/2006 fiscal year. Additionally, students are being progressively incorporated into existing and new data matches.

Trends in Benefit Control area cases investigated and overpayments identified

The increase between 2003/2004 and 2004/2005 in the number of cases being investigated (see [Table 6.4](#)) reflects the implementation by the Area Benefit Control teams of Early Intervention strategies. This process is designed either to prevent fraud from being committed or to detect it at an early stage, and is indicated by the comparatively low level of overpayments being established during 2004/2005 (see [Table 6.4](#)).

table
6.4

Trends in Area Benefit Control statistics

| Financial year ¹ | Number of cases investigated | Overpayments identified Amount (\$) |
|-----------------------------|------------------------------|-------------------------------------|
| 2000/2001 | 41,258 | 56,288,559 |
| 2001/2002 ² | 47,835 | 47,506,880 |
| 2002/2003 | 49,813 | 42,723,950 |
| 2003/2004 ³ | 53,631 | 50,048,006 |
| 2004/2005 ⁴ | 55,632 | 41,455,851 |

Notes

- 1 Financial years ended 30 June.
- 2 The 2001/2002 year includes three months as part of the Department of Work and Income and nine months as part of MSD.
- 3 The 2003/2004 year includes overpayments of \$367,353 from the Client Review Process Initiatives that are aligned to Early Intervention.
- 4 The 2004/2005 year includes overpayments of \$311,340 from the Client Review Process Initiatives that are aligned to Early Intervention.

Trends in data matching cases investigated and overpayments identified

Between 2002/2003 and 2004/2005, the proportion of total Benefit Control cases investigated using data matching increased from 45% to 56%, after decreasing between 2000/2001 and 2002/2003. The decrease in the relative prominence of data matching between 2000/2001 and 2002/2003 reflects the greater emphasis on the prevention and early intervention of fraud by

the Area Benefit Control teams. The increased prevalence of data matching in the last two years reflects the introduction of a new data match with the Death Register of the Department of Internal Affairs, and the incremental introduction of students into the data matching process during 2004/2005.

table
6.5

Trends in data matching Benefit Control statistics

| Financial year ¹ | Number of cases investigated | Overpayments identified Amount (\$) |
|-----------------------------|------------------------------|-------------------------------------|
| 2000/2001 | 52,910 | 33,723,772 |
| 2001/2002 ² | 47,169 | 33,945,242 |
| 2002/2003 | 41,122 | 31,275,937 |
| 2003/2004 ³ | 47,079 | 28,683,298 |
| 2004/2005 ⁴ | 71,604 | 29,454,045 |

Notes

- 1 Financial years ended 30 June.
- 2 The 2001/2002 year includes three months as part of the Department of Work and Income and nine months as part of MSD.
- 3 The 2003/2004 year includes overpayments of \$367,353 from the Client Review Process Initiatives that are aligned to Early Intervention.
- 4 The 2004/2005 year includes overpayments of \$311,340 from the Client Review Process Initiatives that are aligned to Early Intervention.

Debt management

Background

MSD's debt management functions are an integral part of its operations, providing services, advice and debt recovery processes.

Debt is managed in two portfolio groups:

- current benefit debt
- non-current debt.

Work and Income is responsible for current benefit debt, where clients with benefit debts are currently in receipt of a benefit.

Debt Management is responsible for managing non-current debt. This includes benefit debts (owed by clients who are no longer in receipt of a benefit), Student Allowance debts, fraudulent Student Loans, work debt, and debts from programmes such as Liable Parent Contribution and Maintenance. Four Regional Debt Management Units (located in Christchurch, Lower Hutt, Hamilton and Auckland) are responsible for the operational management of non-current debt.

New debts are established as a result of:

- benefit advances and recoverable Special Needs Grants
- overpayments that occur due to changed client circumstances that reduce entitlement and result in an overpayment
- overpayments as a result of fraudulent activity.

Trends in debt values

The value of outstanding debt declined significantly in the 2002/2003 and 2003/2004 years due to high levels of debt write-off and the transfer of debt to the Ministry of Health.

In the 2004/2005 year, the value of debt has increased as a result of continuing high levels of debt establishment and a reduction in the value of debt write-off.

table
6.6**Trends in debt established, debt repaid and outstanding debt**

| Financial year ¹ | New debt established (\$m) | Debt repaid or adjusted on review (\$m) | Outstanding debt at 30 June (\$m) |
|-----------------------------|----------------------------|---|-----------------------------------|
| 2000/2001 | 312.6 | 300.4 | 813.8 |
| 2001/2002 | 318.4 | 233.1 ² | 899.1 ² |
| 2002/2003 | 311.8 | 444.8 ³ | 766.2 ³ |
| 2003/2004 | 303.6 | 312.7 | 757.1 |
| 2004/2005 | 314.6 | 283.4 | 788.2 |

Notes

- Financial years ended 30 June.
- Both debt adjusted on review and outstanding debt have been impacted by a reporting correction in June 2002. The total value of current benefit debt was previously understated by \$72m. The correction of this error has resulted in a decrease in debt adjusted on review and a corresponding increase in outstanding debt.
- In June 2002, MSD gained Ministerial approval to write off existing aged debt where all avenues of recovery have been proven to be exhausted. The write-off of these debts increased the value of debt repaid or adjusted on review and decreased the value of outstanding debt. The majority of these debts were written off in 2002/2003 and to a lesser extent in 2003/2004. In April 2003, a portion of Residential Care Loan balances were transferred to the Ministry of Health.

Trends in debtor numbers

The number of debtors has increased in each year apart from 2002/2003, when debtor numbers reduced (see [Table 6.7](#)). This reduction was due to a large number of debts being written off during 2002/2003.

table
6.7**Trends in the number of debtors with open debts, by category**

| Financial year ¹ | Benefit debtors | | Other debtors | | | | Total debtors ² |
|-----------------------------|------------------------------|----------------------------------|--|--------------------------------|---------------------------------|------------------------|----------------------------|
| | Current clients ³ | Non-current clients ⁴ | Liable Parent Contributions ⁵ | Total Maintenance ⁶ | Student Allowances ⁷ | Work debt ⁸ | |
| 2000/2001 | 170,561 | 121,613 | 28,653 | 9,792 | 3,480 | 609 | 334,708 |
| 2001/2002 | 173,296 | 127,788 | 26,639 | 8,691 | 3,729 | 624 | 340,767 |
| 2002/2003 | 176,025 | 108,709 | 10,240 | 4,825 | 3,817 | 637 | 304,253 |
| 2003/2004 | 182,491 | 114,888 | 8,341 | 3,025 | 4,209 | 101 | 308,745 |
| 2004/2005 | 185,551 | 123,931 | 7,219 | 2,607 | 4,208 | 96 | 323,612 |

Notes

- Financial years ended 30 June.
- The total number of debtors may be overstated because of double-counting where a person has more than one type of debt.
- Debtors who are currently receiving income support from Work and Income and have had advances, grants or overpayments of income support.
- Debtors who are no longer receiving income support from Work and Income but who have had advances, grants or overpayments of income support.
- The Liable Parent Contribution Scheme ended in 1992. The number represents liable parents with arrears of payments.
- Administration of Maintenance Orders and registered agreements ended in 1992. The number represents Crown maintenance debtors with arrears of payments.
- Debtors who have received overpayments of Student Allowance. Prior to 1 January 1999, the Ministry of Education administered Student Allowance debt.
- Debtors who have received overpayment of employment-related grants and allowances. Prior to October 1998, the New Zealand Employment Service administered work debt.

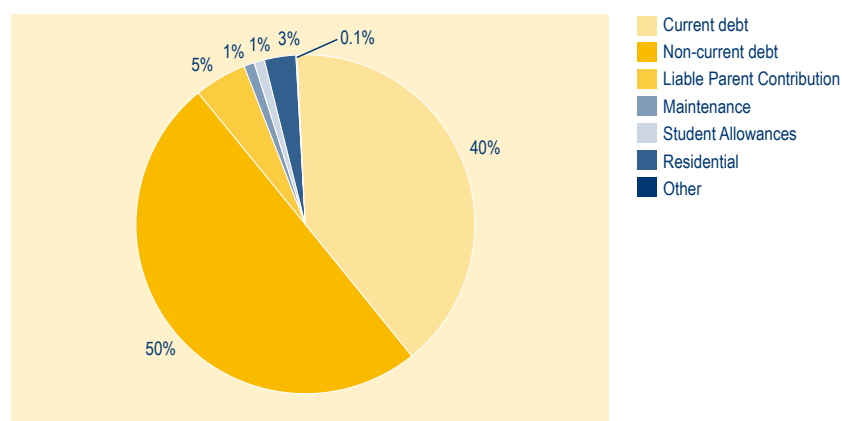


Debt composition

In total, 90% of all Crown debt is a result of benefit overpayment, benefit advance or grant. Current benefit debt accounts for 40% of Crown debt, while non-current benefit debt accounts for 50% (see [Figure 6.1](#)).

figure
6.1

Total composition of Crown debt at 30 June 2005



Social security agreements

Introduction

New Zealand currently has social security agreements with Australia, the United Kingdom, the Netherlands, the Republic of Ireland, Greece (the Hellenic Republic), Canada, Denmark, and Jersey and Guernsey. There is also a special portability arrangement for specified countries of the Pacific. An agreement was signed with Italy in June 1998, but it has not yet been ratified by Italy.

Current social security agreements

Australia

The agreement covers New Zealand Superannuation, Veteran's Pensions and Invalid's Benefits for people with severe disabilities. Under this agreement, individual pensioners receive dual payments (one from each Government, according to the proportion of the individual's working life spent in each country).

People going to Australia can use their periods of residence in New Zealand to help them qualify for an Australian pension 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.

Benefit reimbursements from New Zealand to Australia, which were calculated under the provisions of the previous agreement, continue to be made. Reimbursement amounts are set out in the new agreement and should phase out in approximately 2015. The reimbursement for the financial year beginning 1 July 2004 was \$AUD78.012 million.

At 30 June 2005, there were 2,651 people receiving Australian pensions in New Zealand. At the same date, there were 5,138 people receiving New Zealand income services in Australia. Eighteen people were receiving a Veteran's Pension, 986 people were receiving an Invalid's Benefit and 4,134 were receiving New Zealand Superannuation.

The United Kingdom

People going to the United Kingdom (UK) can use their periods of residence in New Zealand to help them qualify for a UK pension and certain other social security payments. People coming from the UK to New Zealand can use periods of UK residence to help them qualify for a New Zealand benefit. In addition, UK pensions are paid to New Zealand residents under UK domestic law.

There were 42,648 people receiving UK pensions in New Zealand at 30 June 2005.

The Netherlands

People who have lived in New Zealand for 12 months or more may, under the terms of the agreement, qualify for New Zealand Superannuation, Veteran's Pension, Invalid's Benefit, Widow's Benefit or Domestic Purposes Benefit for widowers while they are living in the Netherlands. The rate of payment is based on whole months of residence in New Zealand since age 20.

Anyone arriving in New Zealand from the Netherlands may use periods of residence or contributions made in the Netherlands to meet the residence criteria for New Zealand benefits within the scope of the agreement. A person who has limited residence, or who has made a limited number of insurance contributions in the Netherlands, may use New Zealand residence to help them qualify for a pension from the Netherlands.

At 30 June 2005, there were 3,686 people receiving Netherlands pensions in New Zealand. At the same date, there were 939 people receiving New Zealand income services in the Netherlands. Three people were receiving an Invalid's Benefit, two people were receiving a Widow's Benefit, and 934 people were receiving New Zealand Superannuation.

The Republic of Ireland

Under the agreement, former New Zealand residents who have lived or intend to live in the Republic of Ireland for more than 26 weeks may qualify for New Zealand Superannuation, Veteran's Pension, Widow's Benefit, Invalid's Benefit, Domestic Purposes Benefit for widowers or Orphan's Benefit. The rate of payment is based on whole months of residence in New Zealand since age 20. The agreement also allows payments of analogous Irish benefits to qualifying New Zealand residents.

People coming to live in New Zealand from the Republic of Ireland may use periods of contributions to Irish insurance to assist them to meet the residence criteria for New Zealand income services.

At 30 June 2005, there were 104 people receiving New Zealand Superannuation in the Republic of Ireland. At the same date, there were 167 Irish pensions being paid in New Zealand.

Greece (the Hellenic Republic)

Under the agreement, former New Zealand residents who live or intend to live in Greece may qualify for New Zealand Superannuation, Veteran's Pension, Widow's Benefit, Invalid's Benefit or Domestic Purposes Benefit for widowers. The rate of payment is based on whole years of New Zealand residence since age 20. Orphan's Benefit and funeral grants are also payable at the full New Zealand rate.

People arriving in New Zealand from Greece may use periods of residence and/or insurance in Greece to qualify for New Zealand income services within the scope of the agreement. Periods of residence in New Zealand will also assist people who have made limited Greek insurance contributions to qualify for a Greek pension.

At 30 June 2005, there were six people receiving an Invalid's Benefit and 231 people receiving New Zealand Superannuation in Greece. At the same date, 21 Greek pensions had been granted to New Zealand residents under the agreement.

Canada

Under the agreement, former New Zealand residents who live or intend to live in Canada may qualify for New Zealand Superannuation, Veteran's Pension, Widow's Benefit, Invalid's Benefit or Domestic Purposes Benefit for widowers. The rate of payment is based on whole months of New Zealand residence since age 20.

Anyone arriving in New Zealand from Canada may use periods of residence or contributions made in Canada to meet the residence criteria for New Zealand income services within the scope of the agreement. Periods of residence in New Zealand will 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.

At 30 June 2005, there was one person receiving a Widow's Benefit, six people receiving an Invalid's Benefit and 315 people receiving New Zealand Superannuation in Canada. At the same date, there were 475 Canadian pensions being paid in New Zealand.

Denmark

Under the agreement, former New Zealand residents who live or intend to live in Denmark may qualify for New Zealand Superannuation, Widow's Benefit, Invalid's Benefit or Domestic Purposes Benefit for widowers. The rate of payment is based on whole months of New Zealand residence since age 20.

Anyone arriving in New Zealand from Denmark may use periods of residence or contributions made in Denmark to meet the residence criteria for New Zealand income services within the scope of the agreement. Periods of residence in New Zealand will 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 New Zealand citizen.

At 30 June 2005, there were three people receiving an Invalid's Benefit and 43 people receiving New Zealand Superannuation in Denmark. At the same date, there were 79 Danish pensions being paid in New Zealand.

Jersey and Guernsey

Under the agreement, former New Zealand residents who live or intend to live in Jersey or Guernsey may qualify for New Zealand Superannuation, Veteran's Pensions, Widow's Benefit, Invalid's Benefit or Domestic Purposes Benefits for widowers. The rate of payment is based on whole years of New Zealand residence since age 20.

People coming to New Zealand who have made contributions to the Jersey or Guernsey social insurance schemes will be able to use those periods of insurance to qualify for New Zealand benefits within the scope of the agreement, which includes the Sickness Benefit. Periods of residence in New Zealand will also assist people who have made limited contributions to the Jersey or Guernsey insurance schemes to qualify for pensions available under those schemes.

At 30 June 2005, there were 53 people receiving New Zealand Superannuation in Jersey and Guernsey. At the same date, there were 148 Jersey or Guernsey pensions being paid in New Zealand.

Payments overseas under social security agreements

At 30 June 2005, around 84% of the people receiving New Zealand pensions or income services while residing overseas were receiving New Zealand Superannuation. Of the people receiving New Zealand pensions or income services at 30 June 2005 while they were residing overseas, 70% were residing in Australia and 13% were living in the Netherlands.

Trends in the number of core benefit or pension recipients in New Zealand who qualify under social security agreements

People who have come to New Zealand from overseas may qualify for some New Zealand benefits or pensions under social security agreements because residency or social security contributions in another country are taken into account for meeting New Zealand residence requirements.

The total number of persons qualifying for New Zealand benefits or pensions under international agreements has increased since 2001, with rapid increases since 2003. This pattern has largely reflected increases in the number of people who qualified for New Zealand benefits or pensions under the agreement with Australia (see [Table 6.8](#)).

This increase in the number of clients qualifying for New Zealand benefits or pensions under the agreement with Australia has led to an increase in the proportion of persons qualifying for benefits or pensions under international agreements who were eligible under the agreement with Australia (from 19% to 53%). There has been a corresponding fall in the proportion who were eligible under the agreement with the United Kingdom (see [Table 6.8](#)).

table
6.8**Trends in the number of clients qualifying for New Zealand benefits or pensions under social security agreements, by country of reciprocity**

| Country of reciprocity | Number of clients receiving New Zealand benefits or pensions who qualified by social security agreements ¹ | | | | |
|------------------------|---|----------------|----------------|----------------|----------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| Australia | 1,037 | 1,099 | 1,800 | 3,822 | 6,331 |
| Canada | 160 | 197 | 235 | 282 | 320 |
| Denmark | 66 | 73 | 80 | 90 | 81 |
| Greece | 156 | 170 | 173 | 198 | 249 |
| Ireland | 86 | 80 | 106 | 138 | 140 |
| Jersey and Guernsey | 66 | 66 | 66 | 69 | 67 |
| Netherlands | 661 | 705 | 781 | 812 | 829 |
| United Kingdom | 3,394 | 3,524 | 3,693 | 3,899 | 3,782 |
| Total | 5,626 | 5,914 | 6,934 | 9,310 | 11,799 |

Note

1 Numbers recorded as receiving payments at 30 June who qualified through social security agreements.

Other provisions for payment of New Zealand Superannuation and Veteran's Pension overseas***General portability***

Under the general portability provision, people eligible to receive New Zealand Superannuation or a Veteran's Pension in their own right may receive 50% of their payment while they are living outside New Zealand, provided that they are not living in a country that has a social security agreement with New Zealand. Applications under this provision must be made while the applicant is resident in New Zealand.

The uptake of the Payment Overseas programme has largely been from single people leaving New Zealand to return to the country of their birth. The principal destinations are Europe and North America.

At 30 June 2005, 176 people were receiving pension payments under the general portability provision.

Special portability arrangement for Pacific countries

People leaving New Zealand to reside in a Pacific country can receive a rate of New Zealand Superannuation or a Veteran's Pension that is based on their New Zealand residence 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. People residing in New Zealand for 10–20 years since the age of 20 years are entitled to 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, they must be both resident and present in New Zealand, and intending to live in the islands for 52 weeks or more.

Pacific countries covered by the arrangement are: American Samoa, the Cook Islands, the 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, and Wallis and Fortuna.

At 30 June 2005, New Zealand was paying 443 people under the special portability arrangements.

The significantly larger uptake of special portability as opposed to general portability reflects the more generous payment provisions of the former, the proximity of Pacific countries, and the close family links that are often maintained even after a person's immigration to New Zealand from a Pacific country.

Trends in total payments to New Zealanders living overseas

New Zealanders living overseas may be eligible to receive New Zealand Superannuation or a Veteran's Pension under the special and general portability provisions of the Payment Overseas programme and under social security agreements.

At 30 June 2005, 7,282 New Zealanders living overseas were receiving benefit or pension payment from New Zealand. Of these people, 6,256 were receiving New Zealand Superannuation, while 1,005 were receiving Invalid's Benefits, 18 were receiving Veteran's Pensions and three were receiving Widow's Benefits.

This reflects in part the fact that New Zealand Superannuation may be paid overseas to more countries than other benefits that are only paid overseas under an agreement. It may also reflect a higher propensity of retired people than of working aged beneficiaries to live in another country, which is often their country of origin.

Foreign pensions paid into New Zealand

Please note that some people receive a reduced rate of New Zealand benefit because they are also receiving overseas pensions paid into New Zealand under social security agreements, or from non-agreement countries.

Trends in the number of Work and Income clients receiving overseas pensions

The number of Work and Income clients who were also receiving overseas pensions has increased since 2001. Over this period, the proportion of these clients who were receiving a United Kingdom pension has decreased from 94% to 83%. Clients receiving an Australian pension accounted for most of the corresponding increase (see [Table 6.9](#)).

table
6.9**Trends in the number of Work and Income clients receiving an overseas pension, by country the pension is received from**

| Country pension is received from | Number of Work and Income clients receiving an overseas pension ¹ | | | | |
|-------------------------------------|--|---------------|---------------|---------------|---------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| Argentina | 0 | 0 | 0 | 0 | 1 |
| Australia | 12 | 15 | 914 | 2,549 | 4,069 |
| Austria | 0 | 0 | 0 | 4 | 9 |
| Barbados | 1 | 1 | 3 | 3 | 4 |
| Belgium | 3 | 3 | 4 | 4 | 6 |
| Bulgaria | 0 | 0 | 3 | 4 | 8 |
| Canada | 141 | 210 | 306 | 387 | 458 |
| Chile | 0 | 0 | 1 | 0 | 0 |
| China, Peoples Republic of | 5 | 77 | 166 | 153 | 192 |
| Croatia | 0 | 0 | 0 | 1 | 2 |
| Czechoslovakia | 0 | 0 | 2 | 2 | 2 |
| Denmark | 20 | 29 | 62 | 71 | 77 |
| Egypt | 0 | 0 | 1 | 0 | 0 |
| Fiji | 3 | 8 | 45 | 56 | 80 |
| Finland | 0 | 0 | 0 | 2 | 2 |
| France | 1 | 2 | 5 | 8 | 12 |
| French Polynesia | 0 | 0 | 0 | 2 | 1 |
| German Democratic Republic (East) | 30 | 55 | 1 | 3 | 4 |
| Germany (West) | 0 | 0 | 86 | 105 | 128 |
| Greece | 16 | 17 | 19 | 19 | 20 |
| Guernsey | 36 | 44 | 49 | 51 | 68 |
| Hungary | 0 | 0 | 1 | 1 | 4 |
| India | 1 | 4 | 24 | 20 | 39 |
| Ireland | 57 | 71 | 91 | 131 | 156 |
| Isle of Man | 22 | 23 | 24 | 26 | 33 |
| Israel | 0 | 1 | 1 | 1 | 2 |
| Italy | 1 | 2 | 2 | 3 | 4 |
| Japan | 0 | 0 | 4 | 5 | 8 |
| Jersey | 44 | 50 | 50 | 63 | 70 |
| Korea, Republic of | 0 | 0 | 0 | 0 | 1 |
| Malaysia | 1 | 0 | 2 | 3 | 10 |
| Malta | 0 | 0 | 1 | 1 | 1 |
| Marshall Islands | 0 | 0 | 0 | 1 | 1 |
| Netherlands | 1,801 | 1,989 | 2,400 | 2,709 | 2,928 |
| Norway | 2 | 2 | 3 | 3 | 2 |
| Peru | 0 | 0 | 0 | 0 | 1 |
| Philippines | 2 | 12 | 20 | 22 | 36 |
| Poland | 0 | 0 | 1 | 2 | 6 |
| Portugal | 0 | 0 | 0 | 1 | 1 |
| Samoa, American | 0 | 0 | 0 | 0 | 6 |
| Samoa, Western | 0 | 0 | 0 | 0 | 46 |
| Singapore | 0 | 0 | 2 | 2 | 2 |
| South Africa, Republic of | 4 | 9 | 26 | 36 | 49 |
| Sri Lanka | 25 | 31 | 57 | 53 | 48 |
| Sweden | 2 | 1 | 3 | 2 | 2 |
| Switzerland | 28 | 40 | 82 | 110 | 124 |
| Tahiti | 1 | 1 | 1 | 1 | 1 |
| Union of Soviet Socialist Republics | 0 | 0 | 13 | 22 | 27 |
| United Kingdom | 33,359 | 35,111 | 37,754 | 40,193 | 42,434 |
| United States of America | 35 | 53 | 98 | 150 | 203 |
| Yugoslavia | 0 | 2 | 7 | 9 | 10 |
| Zimbabwe | 1 | 1 | 2 | 2 | 2 |
| Total | 35,654 | 37,864 | 42,336 | 46,996 | 51,400 |

Note

¹ Numbers of Work and Income clients recorded as receiving an overseas pension as well as a pension or benefit at 30 June. This table excludes people who are not receiving financial assistance from Work and Income.

Section 7 Trends since 1940 in use of, and expenditure on, pensions and income-tested benefits

Table 7.1 shows trends since 1940 in the number of clients receiving pensions and income-tested benefits. **Table 7.2** shows trends since 1940 in expenditure on these financial services.

table
7.1

Historical summary – number of people receiving pensions and income-tested benefits 1940–2005^{1,2}

| Year ³ | Unemployment-related benefits and Emergency Benefits ⁴ | Independent Youth Benefit ⁵ | Sickness-related benefits ⁶ | Invalid's Benefit | Miner's Benefit |
|-------------------|---|--|--|-------------------|-----------------|
| 1940 | 4,053 | | 2,565 | 11,811 | 988 |
| 1945 | 198 | | 4,233 | 12,205 | 783 |
| 1950 | 12 | | 4,931 | 9,476 | 636 |
| 1955 | 19 | | 4,277 | 8,110 | 481 |
| 1960 | 312 | | 4,064 | 8,024 | 353 |
| 1965 | 208 | | 4,681 | 7,951 | 184 |
| 1970 | 983 | | 5,876 | 8,342 | 98 |
| 1975 | 2,894 | | 7,830 | 9,414 | 45 |
| 1980 | 20,850 | | 7,504 | 15,647 | 21 |
| 1981 | 35,666 | | 7,104 | 16,961 | 16 |
| 1982 | 32,596 | | 7,177 | 17,891 | 16 |
| 1983 | 50,744 | | 7,669 | 18,757 | 16 |
| 1984 | 50,136 | | 9,452 | 20,187 | 13 |
| 1985 | 38,419 | | 9,627 | 21,464 | 11 |
| 1986 | 42,405 | | 9,517 | 21,993 | 10 |
| 1987 | 63,922 | | 11,116 | 23,087 | 10 |
| 1988 | 86,782 | | 13,132 | 24,379 | 9 |
| 1989 | 123,565 | | 16,021 | 26,260 | 7 |
| 1990 | 149,078 | | 19,511 | 27,824 | 6 |
| 1991 | 158,204 | 2,538 | 20,147 | 30,746 | 3 |
| 1992 | 174,542 | 3,682 | 24,093 | 31,831 | 1 |
| 1993 | 176,872 | 4,364 | 28,729 | 34,957 | |
| 1994 | 166,703 | 3,313 | 31,535 | 37,030 | |
| 1995 | 148,161 | 2,891 | 34,037 | 39,686 | |
| 1996 | 142,539 | 3,020 | 33,332 | 42,423 | |
| 1997 | 149,058 | 2,755 | 34,194 | 46,160 | |
| 1998 | 158,412 | 2,867 | 35,291 | 49,468 | |
| 1999 | 165,722 | 3,481 | 33,022 | 51,173 | |
| 2000 | 155,594 | 3,566 | 32,294 | 55,392 | |
| 2001 | 141,214 | 3,635 | 33,620 | 59,812 | |
| 2002 | 126,934 | 2,998 | 36,380 | 64,529 | |
| 2003 | 113,495 | 2,702 | 39,902 | 68,507 | |
| 2004 | 83,425 | 2,287 | 44,128 | 72,342 | |
| 2005 | 64,811 | 2,011 | 45,646 | 74,796 | |

Notes

- 1 An historical summary of the number of people receiving pensions or income-tested benefits prior to 1940 is included in the 1990 New Zealand Official Yearbook, p. 210. Since 1975, the numbers of people receiving Emergency Benefits or receiving benefits granted because of hardship have been included in the numbers receiving pensions or income-tested benefits 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 income-tested benefits paid to their partner or spouse. 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 Benefits and Unemployment Benefits – Hardship paid to unemployed people or trainees, and Emergency Benefits paid to unemployed people or trainees. Includes persons aged 55 or over receiving an Unemployment Benefit. Includes Emergency Unemployment Benefits from 1991 to 1998 and Job Search Allowances from 1991 to 1995. From 1998, includes Young Job Seeker's Allowances and Emergency Benefits. From 1 July 2001, includes Unemployment Benefits – Hardship – Student. From 1 October 1998 until 30 June 2001, the main benefit in this group was known as a Community Wage – Job Seeker, and from 1 July 2001, it has been known as an Unemployment Benefit.
- 5 Includes Job Search Allowance from 1996 to 1998.

Please note that expenditure figures given in **Table 7.2** include expenditure on supplementary benefits received by people who are receiving the pensions or income-tested benefits indicated, while expenditure data published in other sources may not. In addition, expenditure data in **Table 7.2** has been smoothed to create a consistent series across time, and (from 1996) reflects deductions for debts established and for clients receiving overseas pensions as well as the benefits shown. For these reasons, expenditure information in **Table 7.2** may differ from expenditure information on benefits and pensions published in other sources.

| | Carer's Benefits ⁷ | Widow's Benefit | Unsupported Child's Benefit and Orphan's Benefit | Family Benefit ⁸ | Transitional Retirement Benefit ⁹ | New Zealand Superannuation ¹⁰ | Veteran's Pension ¹¹ |
|--|-------------------------------|-----------------|--|-----------------------------|--|--|---------------------------------|
| | | 10,174 | 330 | 11,053 | | 93,262 | |
| | | 10,965 | 421 | 24,251 | | 158,332 | |
| | | 14,198 | 366 | 254,920 ⁸ | | 186,512 | |
| | | 12,197 | 300 | 298,370 | | 199,236 | |
| | | 13,049 | 277 | 343,193 | | 204,036 | |
| | | 14,529 | 316 | 376,824 | | 214,659 | |
| | | 15,663 | 315 | 408,397 | | 241,772 | |
| | 17,231 | 16,738 | 376 | 452,389 | | 289,348 | |
| | 37,040 | 16,120 | 413 | 460,897 | | 405,834 | |
| | 39,412 | 15,416 | 388 | 461,211 | | 418,901 | |
| | 43,447 | 14,737 | 365 | 459,994 | | 430,175 | |
| | 48,121 | 14,125 | 362 | 460,798 | | 441,789 | |
| | 53,144 | 13,921 | 384 | 460,382 | | 451,128 | |
| | 56,548 | 13,557 | 365 | 455,961 | | 459,813 | |
| | 62,570 | 13,304 | 364 | 455,330 | | 465,079 | |
| | 69,146 | 13,019 | 496 | 450,072 | | 473,401 | |
| | 74,862 | 12,862 | 1,537 | 436,066 | | 479,985 | |
| | 85,615 | 13,026 | 2,993 | 437,287 | | 485,962 | |
| | 94,823 | 12,676 | 5,239 | 446,373 | | 495,500 | 3,428 |
| | 97,000 | 10,989 | 2,931 | | | 506,047 | 3,130 |
| | 96,722 | 9,873 | 3,135 | | | 504,561 | 5,393 |
| | 96,335 | 10,259 | 3,539 | | | 488,893 | 6,117 |
| | 100,256 | 9,012 | 4,093 | | 6,540 | 477,400 | 6,278 |
| | 104,027 | 9,007 | 4,280 | | 7,327 | 469,239 | 6,380 |
| | 108,790 | 9,043 | 4,655 | | 7,832 | 481,565 | 6,687 |
| | 112,283 | 9,132 | 4,833 | | 7,953 | 474,451 | 7,176 |
| | 113,329 | 9,372 | 5,078 | | 8,151 | 469,307 | 7,277 |
| | 109,516 | 9,178 | 5,383 | | 8,743 | 461,137 | 7,334 |
| | 108,939 | 9,104 | 5,799 | | 8,856 | 453,401 | 7,248 |
| | 107,821 | 8,900 | 6,075 | | 9,012 | 446,706 | 7,425 |
| | 108,009 | 8,774 | 6,332 | | 5,118 | 450,435 | 7,587 |
| | 109,295 | 8,659 | 6,789 | | 2,110 | 457,278 | 7,872 |
| | 109,526 | 8,413 | 7,051 | | 0 | 464,624 | 8,465 |
| | 106,330 | 7,795 | 7,279 | | 0 | 475,215 | 8,871 |

6 Includes Sickness Benefits and Sickness Benefits – Hardship.

7 Includes Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.

8 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 relating to Family Benefit have meant that these statistics are of uncertain accuracy.

9 Transitional Retirement Benefits were introduced on 1 April 1994 and abolished on 1 April 2004.

10 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. Between 1 April 1992 and 31 March 1994, it was known as National Superannuation, and from 1 April 1994 onward, it has been known as New Zealand Superannuation. The age of eligibility was raised to 61 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.

11 From 1996, includes non-qualified spouses receiving Veteran's Pensions, but excludes numbers receiving War Pensions. From 1 July 1999, Veteran's Pensions and War Pensions have been funded from Vote: Veteran's Affairs – Social Development.

table
7.2**Historical summary – expenditure on pensions and income-tested benefits
1940–2005 (\$000)^{1,2,3,4,5}**

| Year ⁶ | Unemployment-related benefits and Emergency Benefits ⁷ | Independent Youth Benefit ⁸ | Sickness-related benefits ⁹ | Invalid's Benefit | Miner's Benefit |
|-------------------|---|--|--|-------------------|-----------------|
| 1940 | 869 | | 418 | 1,884 | 185 |
| 1945 | 56 | | 704 | 2,145 | 149 |
| 1950 | 21 | | 2,017 | 2,795 | 240 |
| 1955 | 11 | | 2,554 | 3,233 | 257 |
| 1960 | 380 | | 3,439 | 4,237 | 226 |
| 1965 | 197 | | 3,914 | 4,830 | 153 |
| 1970 | 1,465 | | 6,073 | 6,093 | 99 |
| 1975 | 5,155 | | 15,887 | 13,665 | 84 |
| 1980 | 66,077 | | 33,236 | 40,924 | 76 |
| 1981 | 118,757 | | 38,553 | 49,580 | 68 |
| 1982 | 156,429 | | 43,529 | 60,454 | 72 |
| 1983 | 195,218 | | 52,355 | 79,074 | 95 |
| 1984 | 315,849 | | 62,212 | 87,410 | 78 |
| 1985 | 274,689 | | 72,550 | 105,724 | 72 |
| 1986 | 290,462 | | 91,762 | 133,287 | 76 |
| 1987 | 459,685 | | 124,292 | 159,823 | 74 |
| 1988 | 672,694 | | 159,850 | 196,051 | 69 |
| 1989 | 987,275 | | 197,745 | 226,304 | 72 |
| 1990 | 1,291,516 | | 229,568 | 260,751 | 68 |
| 1991 | 1,483,324 | | 248,672 | 289,212 | 39 |
| 1992 | 1,519,794 | 25,605 | 239,415 | 348,810 | 14 |
| 1993 | 1,638,905 | 28,640 | 284,597 | 372,786 | |
| 1994 | 1,591,047 | 26,263 | 329,995 | 422,324 | |
| 1995 | 1,407,266 | 21,547 | 352,167 | 463,598 | |
| 1996 | 1,373,513 | 21,552 | 378,850 | 494,849 | |
| 1997 | 1,468,178 | 20,739 | 406,164 | 555,200 | |
| 1998 | 1,593,891 | 20,764 | 434,956 | 622,157 | |
| 1999 | 1,688,066 | 26,610 | 403,708 | 654,432 | |
| 2000 | 1,679,544 | 29,229 | 384,680 | 700,385 | |
| 2001 | 1,576,914 | 31,532 | 385,680 | 761,656 | |
| 2002 | 1,456,216 | 29,782 | 415,683 | 843,535 | |
| 2003 | 1,325,672 | 25,205 | 460,209 | 926,515 | |
| 2004 | 1,133,429 | 23,350 | 518,943 | 996,639 | |
| 2005 | 882,817 | 20,628 | 571,866 | 1,057,376 | |

Notes

- 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 contributions. Accrual figures are also net of debts established and recoveries from clients receiving overseas pensions as well as the above benefits or pensions.
- Expenditure figures shown here are net of taxation, except for New Zealand Superannuation which is shown gross of taxation.
- Expenditure figures include expenditure on selected supplementary benefits paid to clients receiving the benefits and pensions shown. The selected supplementary benefits are Accommodation Supplements, Disability Allowances, Disability Allowances – Telephone Assistance, Disability Assistance Programme payments, Tenure Protection Allowances, Special Transfer Allowances, Training Incentive Allowances, Special Benefits, non-recoverable Special Needs Grants, Transition to Work assistance, Student Allowance Transfer Grants, and Social Rehabilitation Assistance Programme payments.
- 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.
- 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 Benefits or benefits paid on grounds of hardship has been included in expenditure on the related benefit.
- Prior to 1990, the year ended 31 March; from 1990 onwards, the year ended 30 June.
- Includes expenditure on Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to people in training, on Emergency Benefits paid to unemployed people or to people in training, and on Independent Youth Benefits. Includes expenditure on unemployment-related 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 Allowances and Emergency Benefits. From 1 July 2001, includes Unemployment Benefits – Hardship – Student. From 1 October 1998, the main benefit in this group was known as a Community Wage – Job Seeker, and from 1 July 2001, it has been known as Unemployment Benefit.

| Carer's Benefits ¹⁰ | Widow's Benefit | Unsupported Child's Benefit and Orphan's Benefit | Family Benefit ¹¹ | Transitional Retirement Benefit ¹² | New Zealand Superannuation ¹³ | Veteran's Pension ¹⁴ |
|--------------------------------|-----------------|--|------------------------------|---|--|---------------------------------|
| | 1,572 | 30 | 505 | | 13,036 | |
| | 1,971 | 47 | 2,810 | | 18,974 | |
| | 4,320 | 62 | 29,702 | | 34,627 | |
| | 5,329 | 58 | 36,358 | | 58,002 | |
| | 7,832 | 79 | 63,584 | | 85,502 | |
| | 10,215 | 110 | 65,925 | | 110,314 | |
| | 13,742 | 150 | 73,318 | | 155,822 | |
| 30,156 | 27,967 | 381 | 153,175 | | 365,803 | |
| 169,449 | 53,342 | 778 | 220,854 | | 1,334,115 | |
| 198,053 | 57,815 | 865 | 306,773 | | 1,556,518 | |
| 252,654 | 62,164 | 943 | 297,705 | | 1,895,845 | |
| 333,617 | 73,954 | 1,114 | 293,044 | | 2,418,930 | |
| 380,836 | 71,295 | 1,186 | 289,689 | | 2,526,031 | |
| 460,385 | 78,495 | 1,004 | 284,167 | | 2,743,512 | |
| 603,878 | 89,338 | 1,281 | 281,957 | | 3,341,211 | |
| 709,568 | 94,732 | 1,700 | 273,248 | | 3,650,165 | |
| 808,787 | 104,170 | 6,174 | 290,556 | | 3,986,544 | |
| 962,871 | 106,062 | 14,074 | 258,445 | | 4,314,259 | |
| 1,136,718 | 114,888 | 24,742 | 284,444 | | 4,774,676 | 1,147 |
| 1,207,856 | 106,070 | 20,697 | 222,996 | | 5,173,859 | 29,639 |
| 1,161,191 | 85,468 | 15,080 | | | 5,514,482 | 33,331 |
| 1,159,737 | 84,977 | 16,473 | | | 5,315,899 | 47,793 |
| 1,228,054 | 86,665 | 19,185 | | 17,385 | 5,102,551 | 54,660 |
| 1,300,173 | 81,258 | 20,557 | | 79,167 | 5,083,119 | 57,217 |
| 1,440,122 | 85,008 | 22,929 | | 90,698 | 5,170,506 | 60,612 |
| 1,563,488 | 91,249 | 26,870 | | 96,819 | 5,239,129 | 64,963 |
| 1,654,035 | 93,931 | 29,831 | | 99,875 | 5,259,198 | 70,414 |
| 1,610,910 | 93,235 | 32,152 | | 105,412 | 5,221,501 | 72,645 |
| 1,590,813 | 91,592 | 35,413 | | 112,384 | 5,227,598 | 73,801 |
| 1,575,974 | 89,008 | 38,567 | | 114,108 | 5,422,012 | 78,354 |
| 1,588,381 | 88,958 | 41,953 | | 86,567 | 5,600,488 | 83,605 |
| 1,634,477 | 90,265 | 47,081 | | 42,013 | 5,798,873 | 87,625 |
| 1,716,917 | 90,252 | 50,991 | | 9,679 | 6,059,395 | 95,803 |
| 1,725,624 | 87,424 | 55,827 | | 0 | 6,269,743 | 103,890 |

- 8 Independent Youth Benefits began in December 1990, and expenditure is included in expenditure on unemployment-related benefits. Expenditure on Independent Youth Benefits has also been separated out as far as possible.
- 9 Includes expenditure on Sickness Benefits and Sickness Benefits – Hardship.
- 10 Includes expenditure on Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.
- 11 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.
- 12 Transitional Retirement Benefits were introduced on 1 April 1994, and abolished on 1 April 2004.
- 13 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 from 1 April 1994, it has been known as New Zealand Superannuation. The age of eligibility was raised to 61 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.
- 14 Includes expenditure since 1940 on non-qualified spouses receiving a Veteran's Pension, but excludes expenditure on War Pensions. From 1 July 1999, Veteran's Pensions and War Pensions have been funded from Vote: Veteran's Affairs – Social Development.

Appendix 1 Administration of benefits and pensions

Income testing

Clients are subject to an income test if they are receiving:

- benefits apart from Unsupported Child's Benefits, Orphan's Benefits or Invalid's Benefits paid to totally blind people
- supplementary benefits apart from a Child Disability Allowance.

Income testing involves both of the following:

- the assessment of income over the six months previous to when a person applies for an income-tested benefit
- ongoing monitoring of income received in addition to an income-tested benefit.

Unsupported Child's Benefits and Orphan's Benefits are tested on the income (other than personal earnings) of the child for whom these benefits are paid.

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, and 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.

Clients are required to declare other income received while they are in receipt of an income-tested benefit. Receipt of other income over a certain level (generally \$80 per week before tax) leads to abatement of the income-tested benefit received. Supplementary benefits may be abated due to receipt of other income even when the level of income received is too low to affect the client's income-tested benefit.

New Zealand Superannuation and Veteran's Pensions are not income tested unless:

- non-qualified spouses are included, or
- the qualified client receiving a Veteran's Pension is aged under 65 years.

Work testing

Depending on their circumstances, clients receiving a work-tested benefit may be subject to:

- a full-time work test
- a part-time work test, or
- a requirement to meet Work and Income case managers to plan their entry into paid work.

Clients may be exempted from the work test on a range of grounds, including age, health issues and caring responsibilities.

For many clients who are not exempted from the work test who have no dependent children aged under six years, fulfilling their work-test requirements involves registering as job seekers.

Any work or training being undertaken (whether this began before or after they became subject to a work test) may be counted toward fulfilling a client's obligations under the work test.

During the 2003/2004 financial year, work-tested clients had Government expectations about meeting the work test made clearer. Other work-test requirements added during the 2003/2004 financial year included a requirement to:

- take drug tests if required to by a prospective employer (from 22 October 2003)
- commute to seek and undertake paid work if there is no such work available in their local area (from 8 March 2004).

The Personal Development and Employment Plan

The Personal Development and Employment Plan process involves the development and implementation of a plan to assist the client in moving toward employment, and therefore toward economic and social participation in society. The planning process involves:

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

The assessment of client circumstances, strengths and needs aims to identify:

- any features of individual circumstances or parenting responsibilities that may affect their ability to obtain employment
- any specific constraints on the client's ability to obtain or retain employment that arise from the client's individual circumstances or parenting responsibilities
- any practical assistance that the client may need in order to support themselves through employment
- the client's skills and experience (including those developed through unpaid work) that are relevant to helping them find the most effective path to enable them to obtain employment.

The plan should:

- include provision of information and financial assistance 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 realistic dates by which action points are to be achieved.

The client is 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 require such amendments
- demonstrate commitment to fulfilling the goals of their plan.

Case managers may, with the agreement of their manager, waive the requirement that the 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 would be reasonable to expect the client to participate in the planning process at this time
 - the client's individual circumstances (eg bereavement, mental health issues, birth of a new baby, recent or difficult separation).

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

Appendix 2 **Definition of the officially unemployed, and differences from registered job seekers**

Definition of the officially unemployed

The officially unemployed are people aged 15–64 years who:

- are without any paid work and without unpaid work in a relative's business
- have actively sought work in the previous four weeks (ie done more than check newspaper advertisements)
- are available to take up work.

The number of officially unemployed is measured by the Household Labour Force Survey (HLFS) conducted quarterly by Statistics New Zealand.

Differences between the officially unemployed and registered job seekers

There are a number of differences between registered job seekers and people counted as officially unemployed. These differences contribute to these measures of unemployment being incompatible. It should be noted that the count of registered job seekers used in this report is an administrative measure only, and should not be treated as an official measure of unemployment.

The key differences between registered job seekers and the officially unemployed concern:

- whether and how much people can work before being counted as unemployed – registered job seekers may be working up to 29 hours per week, as long as they are seeking to increase their hours of work; the officially unemployed, however, must have had no paid work and no unpaid work in a relative's business
- what job search activities the unemployed must be undertaking – there are no specific job search criteria for registered job seekers, although people who face a work test have an obligation to take reasonable steps to find suitable paid employment; the officially unemployed, however, must have actively sought work (ie done more than looking at job advertisements in the newspaper) within the previous four weeks
- availability for work – most registered job seekers are expected to be available for work but, at any time, some (eg those caring for a sick child) may not be immediately available; all of the officially unemployed, however, must either be available to start work or have a job to start in the next four weeks.

Appendix 3 SWIFTT and SOLO data showing the ages of clients receiving financial assistance and registered as job seekers

table
A3.1

Trends in the number of people aged 18 years or over receiving Work and Income assistance (used in Figure 2.1)

| Population group and assistance received at the end of June | Clients receiving Work and Income assistance | | | | |
|---|--|-------------|-------------|-------------|-------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| Working aged clients receiving an income-tested benefit ¹ | 354,240 | 342,933 | 334,173 | 309,360 | 290,466 |
| Working aged clients registered as job seekers ² | 187,841 | 164,413 | 141,200 | 104,360 | 80,869 |
| Clients aged 65 years or over receiving a pension ³ | 433,358 | 438,250 | 446,027 | 455,090 | 467,201 |
| People aged 18 or over receiving one or more supplementary benefits or a Special Benefit ⁴ | 429,121 | 428,561 | 434,014 | 429,153 | 441,369 |

Notes

- 1 Numbers of working aged clients recorded in SWIFTT as receiving an income-tested benefit at the end of June.
- 2 Numbers of working aged job registered in SOLO at the end of June.
- 3 Numbers of working aged clients recorded in SWIFTT as receiving a pension at the end of June. Excludes clients receiving War Disablement Pensions.
- 4 Numbers 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), or a Special Benefit. Includes some clients receiving one or more supplementary benefits and a Special Benefit.

table
A3.2

Trends in the age of children aged under 18 years who are dependent on clients receiving an income-tested benefit (used in Figure 2.2)

| Age of child at the end of June | Children under 18 years dependent on clients receiving an income-tested benefit ¹ | | | | |
|------------------------------------|--|-------------|-------------|-------------|-------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| 0–4 years | 82,200 | 79,473 | 77,579 | 75,190 | 70,914 |
| 5–9 years | 81,799 | 78,838 | 77,316 | 74,220 | 69,967 |
| 10–14 years | 70,984 | 70,325 | 69,608 | 67,057 | 63,550 |
| 15–17 years | 27,543 | 27,157 | 28,118 | 28,496 | 28,376 |
| Total children aged under 18 years | 262,526 | 255,793 | 252,621 | 244,963 | 232,807 |

Note

- 1 Numbers of children recorded in SWIFTT as dependent on clients receiving an income-tested benefit at the end of June.

table
A3.3**Trends in the age of children aged under 18 years who are dependent on registered job seekers (used in Figure 2.3)**

| Age of child at the end of June | Children under 18 years dependent on registered job seekers ^{1,2} | | | | |
|------------------------------------|--|----------------|----------------|----------------|----------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| 0–4 years | 19,546 | 16,922 | 16,650 | 13,819 | 10,801 |
| 5–9 years | 32,090 | 27,035 | 22,364 | 15,790 | 11,594 |
| 10–14 years | 34,705 | 31,276 | 25,853 | 17,176 | 12,169 |
| 15–17 years | 14,310 | 13,086 | 11,328 | 7,824 | 5,775 |
| Total children aged under 18 years | 100,651 | 88,319 | 76,195 | 54,609 | 40,339 |

Notes

- Information on the numbers and ages of children dependent on job seekers is only available for job seekers who were also receiving financial assistance from Work and Income. At each of the dates shown, around 95% of registered job seekers were receiving such assistance.
- Numbers of children recorded in SWIFTT as dependent on job seekers who are registered in SOLO at the end of June.

table
A3.4**Trends in the age of working aged clients receiving an unemployment-related benefit (used in Figure 3.1)**

| Age of client at the end of June | Working aged clients receiving an unemployment-related benefit ^{1,2} | | | | |
|----------------------------------|---|----------------|----------------|----------------|----------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| 18–24 years | 38,265 | 34,296 | 29,875 | 20,269 | 15,281 |
| 25–39 years | 44,819 | 38,720 | 32,436 | 22,195 | 16,764 |
| 40–49 years | 20,974 | 18,580 | 15,836 | 10,911 | 8,187 |
| 50–59 years | 17,953 | 16,503 | 14,831 | 9,671 | 6,745 |
| 60–64 years | 9,416 | 10,454 | 10,889 | 10,526 | 8,365 |
| Total working aged clients | 131,427 | 118,553 | 103,867 | 73,572 | 55,342 |

Notes

- Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people or to those in training, and Independent Youth Benefits.
- Numbers of clients recorded in SWIFTT as receiving an unemployment-related benefit at the end of June.

table
A3.5**Trends in the number of clients aged 16–17 years receiving an Independent Youth Benefit (used in Figure 3.2)**

| Age of client at the end of June | Clients aged 16–17 years receiving an Independent Youth Benefit ¹ | | | | |
|----------------------------------|--|----------------|----------------|----------------|----------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| Total aged 16–17 years | 3,178 | 2,771 | 2,612 | 2,169 | 1,914 |

Note

- Numbers of clients aged 16–17 years recorded in SWIFTT as receiving an Independent Youth Benefit at the end of June.

table
A3.6**Trends in the age of working aged clients receiving a Domestic Purposes Benefit – Sole Parents or an Emergency Maintenance Allowance (used in Figure 3.4)**

| Age of client at the end of June | Working aged clients receiving a Domestic Purposes Benefit – Sole Parents or an Emergency Maintenance Allowance ¹ | | | | |
|-----------------------------------|--|----------------|----------------|----------------|---------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| 18–24 years | 18,537 | 18,492 | 18,476 | 18,499 | 17,911 |
| 25–39 years | 60,338 | 59,408 | 58,929 | 57,657 | 54,823 |
| 40–49 years | 19,943 | 20,703 | 21,823 | 22,518 | 22,285 |
| 50–59 years | 2,769 | 2,850 | 3,083 | 3,451 | 3,629 |
| 60–64 years | 161 | 191 | 205 | 199 | 181 |
| Total working aged clients | 101,748 | 101,644 | 102,516 | 102,324 | 98,829 |

Note

- 1 Numbers of clients recorded in SWIFTT as receiving a Domestic Purposes Benefit – Sole Parents or Emergency Maintenance Allowance at the end of June.

table
A3.7**Trends in the age of working aged clients receiving a sickness-related benefit (used in Figure 3.6)**

| Age of client at the end of June | Working aged clients receiving a sickness-related benefit ^{1,2} | | | | |
|-----------------------------------|--|---------------|---------------|---------------|---------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| 18–24 years | 4,117 | 4,488 | 5,306 | 5,486 | 5,705 |
| 25–39 years | 10,580 | 11,486 | 12,272 | 13,201 | 13,194 |
| 40–49 years | 8,189 | 8,871 | 9,867 | 10,533 | 10,689 |
| 50–59 years | 8,224 | 8,703 | 9,283 | 11,235 | 11,682 |
| 60–64 years | 2,217 | 2,476 | 2,762 | 3,243 | 3,906 |
| Total working aged clients | 33,327 | 36,024 | 39,490 | 43,698 | 45,176 |

Notes

- 1 Includes Sickness Benefits and Sickness Benefits – Hardship.
2 Numbers of clients recorded in SWIFTT as receiving a sickness-related benefit at the end of June.

table
A3.8**Trends in the age of working aged clients receiving an Invalid's Benefit (used in Figure 3.8)**

| Age of client at the end of June | Working aged clients receiving an Invalid's Benefit ¹ | | | | |
|-----------------------------------|--|---------------|---------------|---------------|---------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| 18–24 years | 4,346 | 4,599 | 4,828 | 5,077 | 5,273 |
| 25–39 years | 15,727 | 16,083 | 16,416 | 16,652 | 16,600 |
| 40–49 years | 13,561 | 14,920 | 15,957 | 16,976 | 17,757 |
| 50–59 years | 16,175 | 17,468 | 18,862 | 20,180 | 21,160 |
| 60–64 years | 8,776 | 10,144 | 11,067 | 11,922 | 12,396 |
| Total working aged clients | 58,585 | 63,214 | 67,130 | 70,807 | 73,186 |

Note

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

table
A3.9**Trends in the age of working aged women receiving a Widow's Benefit
(used in Figure 3.10)**

| Age of client at the end of June | Working aged women receiving a Widow's Benefit ¹ | | | | |
|----------------------------------|---|----------------|----------------|----------------|----------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| 18–24 years | 7 | 11 | 11 | 9 | 10 |
| 25–39 years | 448 | 417 | 409 | 348 | 330 |
| 40–49 years | 1,189 | 1,110 | 1,067 | 996 | 936 |
| 50–59 years | 3,608 | 3,215 | 3,036 | 2,839 | 2,662 |
| 60–64 years | 3,513 | 3,894 | 4,003 | 4,069 | 3,699 |
| Total working aged women | 8,765 | 8,647 | 8,526 | 8,261 | 7,637 |

Note

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

table
A3.10**Trends in the age of working aged registered job seekers (used in Figure 3.12)**

| Age of registered job seeker at the end of June | Working aged registered job seekers ¹ | | | | |
|--|--|----------------|----------------|----------------|----------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| 18–24 years | 47,660 | 42,862 | 38,033 | 27,093 | 21,408 |
| 25–39 years | 76,761 | 66,001 | 55,522 | 39,265 | 29,516 |
| 40–49 years | 39,610 | 35,203 | 30,201 | 21,210 | 16,303 |
| 50–59 years | 21,856 | 18,797 | 16,115 | 15,662 | 11,814 |
| 60–64 years | 1,954 | 1,550 | 1,329 | 1,130 | 1,828 |
| Total working aged clients | 187,841 | 164,413 | 141,200 | 104,360 | 80,869 |

Note

1 Numbers of job seekers registered in SOLO at the end of June.

table
A3.11**Trends in the age of clients aged 65 years or over receiving New Zealand
Superannuation (used in Figure 3.13)**

| Age of client at the end of June | Clients aged 65 years or over receiving New Zealand Superannuation ¹ | | | | |
|------------------------------------|---|----------------|----------------|----------------|----------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| 65–69 years | 119,719 | 120,489 | 123,485 | 127,786 | 135,322 |
| 70–74 years | 112,963 | 112,741 | 112,069 | 111,757 | 111,329 |
| 75–79 years | 89,363 | 90,434 | 92,571 | 94,098 | 95,021 |
| 80 years or over | 104,406 | 107,593 | 110,658 | 113,661 | 117,367 |
| Total aged 65 years or over | 426,451 | 431,257 | 438,783 | 447,302 | 459,039 |

Note

1 Numbers of clients recorded in SWIFTT as receiving New Zealand Superannuation at the end of June.

table
A3.12**Trends in the age of clients aged 65 years or over receiving a Veteran's Pension (used in Figure 3.15)**

| Age of client at the end of June | Clients aged 65 years or over receiving a Veteran's Pension ¹ | | | | |
|------------------------------------|--|----------------|----------------|----------------|----------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| 65–69 years | 362 | 395 | 415 | 452 | 478 |
| 70–74 years | 893 | 773 | 753 | 779 | 776 |
| 75–79 years | 2,316 | 2,114 | 1,887 | 1,793 | 1,670 |
| 80 years or over | 3,336 | 3,711 | 4,189 | 4,764 | 5,238 |
| Total aged 65 years or over | 6,907 | 6,993 | 7,244 | 7,788 | 8,162 |

Note

1 Numbers of clients recorded in SWIFTT as receiving a Veteran's Pension at the end of June.

table
A3.13**Trends in the age of working aged clients receiving an Emergency Benefit (used in Figure 3.17)**

| Age of client at the end of June | Working aged clients years receiving an Emergency Benefit ¹ | | | | |
|-----------------------------------|--|----------------|----------------|----------------|----------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| 18–24 years | 591 | 405 | 558 | 503 | 425 |
| 25–39 years | 1,784 | 1,193 | 1,343 | 1,240 | 1,037 |
| 40–49 years | 1,094 | 759 | 898 | 843 | 744 |
| 50–59 years | 1,214 | 815 | 789 | 809 | 783 |
| 60–64 years | 1,244 | 805 | 788 | 734 | 489 |
| Total working aged clients | 5,927 | 3,977 | 4,376 | 4,129 | 3,478 |

Note

1 Numbers of clients recorded in SWIFTT as receiving an Emergency Benefit at the end of June.

table
A3.14**Trends in the age of clients aged 18 years or over receiving an Accommodation Supplement (used in Figure 4.1)**

| Age of client at the end of June | Clients aged 18 years or over receiving an Accommodation Supplement ¹ | | | | |
|------------------------------------|--|----------------|----------------|----------------|----------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| 18–24 years | 50,722 | 47,298 | 45,004 | 38,638 | 37,113 |
| 25–39 years | 109,863 | 103,891 | 98,938 | 90,945 | 92,576 |
| 40–49 years | 46,354 | 46,221 | 46,258 | 44,892 | 47,394 |
| 50–59 years | 26,497 | 26,523 | 26,958 | 26,285 | 27,711 |
| 60–64 years | 11,475 | 11,792 | 12,014 | 12,026 | 12,299 |
| 65 years or over | 17,593 | 19,271 | 19,710 | 21,159 | 22,932 |
| Total aged 18 years or over | 262,504 | 254,996 | 248,882 | 233,945 | 240,025 |

Note

1 Numbers of clients recorded in SWIFTT as receiving an Accommodation Supplement at the end of June.

table
A3.15**Trends in the age of children aged under 18 years covered by an Unsupported Child's Benefit or an Orphan's Benefit (used in Figure 4.3)**

| Age of child at the end of June | Children aged under 18 years covered by an Unsupported Child's Benefit or an Orphan's Benefit ¹ | | | | |
|----------------------------------|--|----------------|----------------|----------------|----------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| 0–4 years | 946 | 986 | 1,059 | 1,107 | 1,193 |
| 5–9 years | 2,049 | 2,197 | 2,384 | 2,554 | 2,637 |
| 10–14 years | 3,052 | 3,117 | 3,309 | 3,448 | 3,565 |
| 15–17 years | 1,713 | 1,850 | 2,080 | 2,184 | 2,237 |
| Total aged under 18 years | 7,760 | 8,150 | 8,832 | 9,293 | 9,632 |

Note

¹ Numbers of children recorded in SWIFTT as being covered by an Unsupported Child's Benefit or Orphan's Benefit at the end of June.

table
A3.16**Trends in the number of children aged under five years covered by a Childcare Subsidy (used in Figure 4.5)**

| Age of child at the end of June | Children aged under five years covered by a Childcare Subsidy ¹ | | | | |
|---|--|----------------|----------------|----------------|----------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| Total children aged under five years | 27,781 | 26,498 | 25,503 | 24,119 | 33,181 |

Note

¹ Numbers of children aged under five years recorded in SWIFTT as being covered by a Childcare Subsidy at the end of June.

table
A3.17**Trends in the age of children aged 5–13 years covered by an OSCAR Subsidy (used in Figure 4.6)**

| Age of child at the end of June | Children aged 5–13 years covered by an OSCAR Subsidy ¹ | | | | |
|---------------------------------|---|----------------|----------------|----------------|----------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| 5–9 years | 1,631 | 1,534 | 1,529 | 1,727 | 3,404 |
| 10–13 years | 368 | 347 | 319 | 384 | 881 |
| Total aged 5–13 years | 1,999 | 1,881 | 1,848 | 2,111 | 4,285 |

Note

¹ Numbers of children recorded in SWIFTT as being covered by an OSCAR Subsidy at the end of June.

table
A3.18**Trends in the age of people covered by a Disability Allowance (used in Figure 4.8)**

| Age at the end of June | People covered by a Disability Allowance ^{1,2} | | | | |
|---|---|----------------|----------------|----------------|----------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| 0–14 years | 12,580 | 12,153 | 12,564 | 12,619 | 10,589 |
| 15–17 years | 1,716 | 1,807 | 1,972 | 2,226 | 1,971 |
| 18–24 years | 4,602 | 4,904 | 5,449 | 5,740 | 5,376 |
| 25–39 years | 23,309 | 23,695 | 24,821 | 25,260 | 21,695 |
| 40–49 years | 19,630 | 21,052 | 22,882 | 24,170 | 22,626 |
| 50–59 years | 23,853 | 25,044 | 26,809 | 28,705 | 27,795 |
| 60–64 years | 17,628 | 18,332 | 19,064 | 19,817 | 19,388 |
| 65 years or over | 91,827 | 98,184 | 105,478 | 112,848 | 117,394 |
| Total clients covered by a Disability Allowance | 195,145 | 205,171 | 219,039 | 231,385 | 226,834 |

Notes

- 1 Includes Disability Allowances, Disability Allowances – Telephone Support, and assistance delivered under the Disability Assistance Programme.
- 2 Numbers of people recorded in SWIFTT as being covered by a Disability Allowance at the end of June.

table
A3.19**Trends in the age of children aged under 18 years covered by a Child Disability Allowance (used in Figure 4.10)**

| Age of child at the end of June | Children aged under 18 covered by a Child Disability Allowance ¹ | | | | |
|------------------------------------|---|----------------|----------------|----------------|----------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| 0–4 years | 4,795 | 5,150 | 6,178 | 7,368 | 7,581 |
| 5–9 years | 7,363 | 7,947 | 9,010 | 10,360 | 11,112 |
| 10–14 years | 7,434 | 8,257 | 9,318 | 10,412 | 10,884 |
| 15–17 years | 2,035 | 2,316 | 2,747 | 3,220 | 3,367 |
| Total children aged under 18 years | 21,627 | 23,670 | 27,253 | 31,360 | 32,944 |

Note

- 1 Numbers of children recorded in SWIFTT as being covered by a Child Disability Allowance at the end of June.

table
A3.20**Trends in the age of clients aged 65 years or over receiving a Residential Care Subsidy (used in Figure 4.13)**

| Age of child at the end of June | Clients aged 65 years or over receiving a Residential Care Subsidy ¹ | | | | |
|-------------------------------------|---|----------------|----------------|----------------|----------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| 65–69 years | 912 | 915 | 910 | 906 | 926 |
| 70–74 years | 1,630 | 1,519 | 1,515 | 1,483 | 1,461 |
| 75–79 years | 2,395 | 2,374 | 2,383 | 2,392 | 2,297 |
| 80 years or over | 10,415 | 10,194 | 10,255 | 10,302 | 10,214 |
| Total clients aged 65 years or over | 15,352 | 15,002 | 15,063 | 15,083 | 14,898 |

Note

1 Numbers of clients recorded in SWIFTT as receiving a Residential Care Subsidy at the end of June.

table
A3.21**Trends in the age of clients aged 18 years or over receiving a Special Benefit (used in Figure 4.14)**

| Age of client at the end of June | Clients aged 65 years or over receiving a Special Benefit ¹ | | | | |
|-------------------------------------|--|----------------|----------------|----------------|----------------|
| | 2001 Number | 2002 Number | 2003 Number | 2004 Number | 2005 Number |
| 18–24 years | 1,027 | 1,314 | 3,886 | 6,038 | 6,325 |
| 25–39 years | 5,889 | 7,293 | 16,291 | 23,400 | 22,192 |
| 40–49 years | 3,167 | 3,997 | 8,313 | 11,881 | 12,479 |
| 50–59 years | 2,015 | 2,420 | 4,562 | 6,633 | 7,933 |
| 60–64 years | 673 | 869 | 1,597 | 2,357 | 2,876 |
| 65 years or over | 249 | 307 | 673 | 1,043 | 1,336 |
| Total clients aged 18 years or over | 13,020 | 16,200 | 35,322 | 51,352 | 53,141 |

Note

1 Numbers of clients recorded in SWIFTT as receiving a Special Benefit at the end of June.



MINISTRY OF SOCIAL DEVELOPMENT
Te Manatū Whakahiato Ora

ISSN 1176-3388