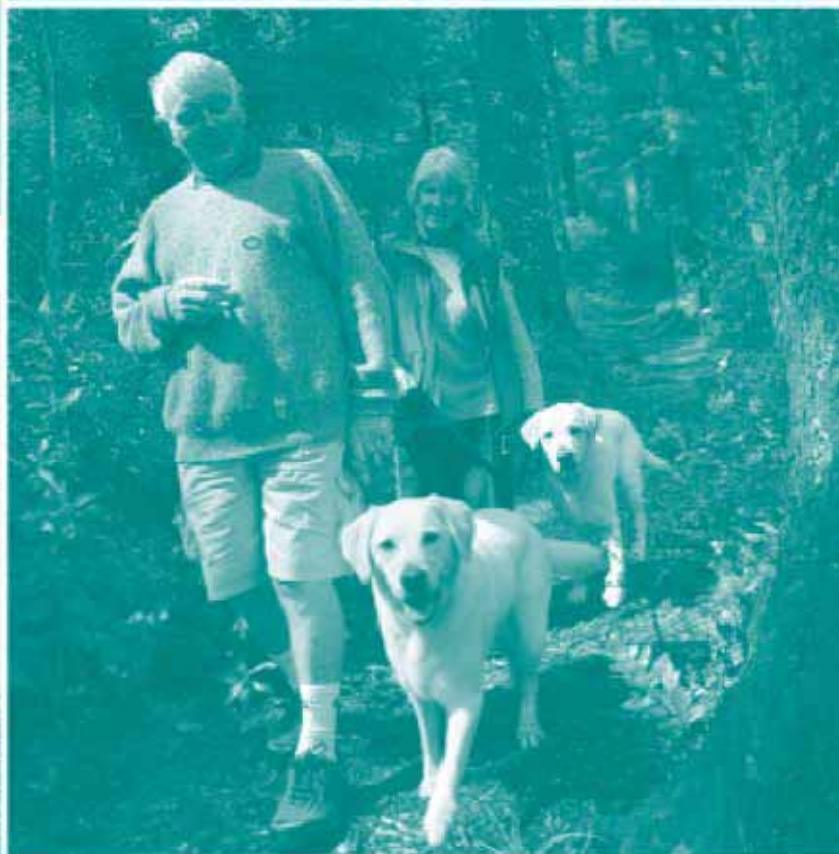




MINISTRY OF SOCIAL DEVELOPMENT
Te Manatū Whakahiato Ora



THE STATISTICAL REPORT

FOR THE YEAR ENDING JUNE 2008

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Section 1 Introduction

Introduction to *The Statistical Report*

This report presents a range of information about use of the services and financial assistance 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 2003. 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*.

Structure of the report

Section 2 summarises information on 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. Section 5 provides information on services provided by MSD's Child, Youth and Family service line. Section 6 outlines the use of financial assistance provided by MSD's StudyLink service line. Section 7 provides additional information on Community Services Cards, balances owed to MSD and benefit control, and payments overseas of pensions, New Zealand Superannuation, and some main benefits. Section 8 shows the historical trends since 1940 in use of, and expenditure on, pensions and main benefits.

Appendix 1 briefly describes Income tests, work tests and client development processes applied when providing benefits and pensions. 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 age clients

Information in Section 3 concerning the use of main benefits is focused on working age clients. This report defines "working age" clients as aged 18–64 years, to reflect the minimum age of eligibility for most main benefits and the age of qualification for New Zealand Superannuation. To maintain consistency with earlier reports in this series, total numbers of recipients of main benefits over all age groups are also shown. Clients whose age is not specified are included under "Other" clients (ie those who are not identified as working age). If required, more information can be obtained from MSD's Decision Support team.

Naming of financial assistance

This report uses the term “main benefit” to refer to the group of benefits that, prior to 2007, were referred to as “income-tested benefits”.

Throughout this report, financial assistance is referred to:

- by the official name (as at the end of June 2008) of a specific type of financial assistance (eg Domestic Purposes Benefit – Sole Parent), or
- as part of broad groups of main 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's statistical systems hold 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. MSD's statistical systems contain a comprehensive record of information collected in SOLO since 1999. MSD also holds some information for earlier years concerning financial services, employment services and registered job seekers.

Statistics shown

The statistical information in the report is focused on the last five years (from 1 July 2003 to 30 June 2008), and descriptions of trends in statistics are also focused on that period. Statements about trends in statistics should be read as descriptions of what is shown by the data presented, and not as a complete summary of historic trends in the use of assistance offered by MSD service lines.

Trends over time in the numbers of people receiving assistance from Work and Income are shown as numbers receiving assistance at the end of June each year. This aims to show both broad trends over time in use of assistance 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 this assistance, and later cease receiving it, without being reflected in numbers receiving assistance at the end of June. Assistance provided to such clients is, however, reflected in statistics showing assistance granted, assistance cancelled, and expenditure on assistance. Because of this, the difference between assistance granted and assistance cancelled 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 main benefits excludes spouses, partners and dependents of people receiving these benefits. Data on the use of pensions includes non-qualified spouses receiving pensions, but excludes any other dependents of the client. This report, therefore, doesn't 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 a substantial number of work services clients are not registered job seekers, and are excluded from job seeker statistics. These clients consist of:

- recipients of main benefits who are being case-managed toward employment without needing to be registered as a job seeker (eg recipients of a carer's benefit)
- vacation workers
- people who are already working full-time but are seeking assistance to change jobs or to retain the job they have.

This report therefore doesn't 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

This report presents expenditure information which differs from official MSD expenditure data, doesn't 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 and 4. This aims 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 8, 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 standardised payment periods
- the inclusion in expenditure data in Sections 3 and 8 of expenditure on selected supplementary benefits.

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

- 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.

Treatment of age-related payments to older people

The primary form of financial assistance to older people is New Zealand Superannuation, but Veteran's Pensions and War Pensions are also paid. While New Zealand Superannuation is not a pension, the report from time to time refers to New Zealand Superannuation and Veteran's Pensions together as "pensions", in order to aid the flow of the text.

Section 2 Assistance provided by Work and Income

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:

- main benefits
- supplementary benefits.

Main benefits

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

- meet an income and asset test
- meet the eligibility criteria for that benefit.

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

For information on eligibility for particular main 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 main benefits.

Main benefits comprise:

- Unemployment Benefits, Unemployment Benefits – Hardship, Unemployment Benefits – Training, Unemployment Benefits – Hardship – Training, Unemployment Benefits – Student – Hardship, and Independent Youth Benefits
- Domestic Purposes Benefits – Sole Parent, 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
- Emergency Benefits.

Transitional Retirement Benefits were also main benefits until the phasing-out of this benefit was completed on 1 April 2004.

Payment rates for main benefits

The standard weekly rates of main benefits are increased yearly on 1 April, to reflect change in the Consumers Price Index (CPI) over the previous year. The rates for main benefits current from 1 April 2008 are listed in table 2.1.

Please note that:

- 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 main benefit payment (as noted earlier, numbers of main benefit recipients shown in this report include only one partner from each such couple).

table 2.1 Weekly payment rates for main benefits (payable from 1 April 2008)

Main benefit	Status ¹	Weekly payment rate ^{2,3}	
		Number of children	
		None	1 or more
Unemployment Benefit	Married, each	\$153.46	\$153.46
	Single 25+	\$184.17	
	Single 18–24	\$153.46	
	Single 18–19 (Living at Home)	\$122.77	
	Sole parent		\$263.78
Independent Youth Benefit		\$153.46	
Sickness Benefit ⁴	Married, each	\$153.46	\$153.46
	Single 25+	\$184.17	
	Single 18–24	\$153.46	
	Single 18–19 (Living at Home)	\$122.77	
	Sole parent		\$263.78
Invalid's Benefit	Married, each	\$191.83	\$191.83
	Single 18+	\$230.19	
	Single 16–17	\$186.28	
	Sole parent	\$302.40	
Domestic Purposes Benefit	Sole Parent		\$263.78
	Women Alone	\$191.83	
Domestic Purposes Benefit – Care of Sick or Infirm ⁵	Single 18+	\$230.19	
	Single 16–17	\$186.28	
	Sole parent		\$302.40
	Married, each	\$191.83	\$191.83
Emergency Maintenance Allowance	Age 16–17 (Living at Home)		\$122.77
	Age 16–17 (Away from Home)		\$263.78
	18 or over		\$263.78
Widow's Benefit		\$191.83	\$263.78

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 2008. Tax at the "M" rate is calculated retrospectively and paid to Inland Revenue.
- 3 Rates shown exclude Family Tax Credits. Benefit recipients with dependent children qualify for these tax credits, which are funded by Inland Revenue. See table 2.2 for rates of these tax credits. From 1 April 2005 the child component of main benefits (ie the additional payment for children) was removed from main benefits and included in Family Tax Credits (see table 2.2 for current rates of these tax credits). This change was part of the Working for Families package.
- 4 From 1 April 2006, all clients receiving Sickness Benefits have been paid at the same rate, regardless of when benefits were granted. Prior to this date, there were some differences between rates for Sickness Benefits granted before 1 October 1998 and Sickness Benefits granted after that date.
- 5 Only the caregiver receives payment.

Supplementary benefits

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

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

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

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. The amount actually received may vary from this, depending on the type of supplementary benefit, the costs to be covered, and the client's income.

table 2.2 Weekly payment rates for selected supplementary benefits (payable from 1 April 2008)

Supplementary benefit¹	Status	Maximum weekly payment rate²
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	\$93.40
	(Maximum per year \$3,736.00)	
Disability Allowance	Maximum amount	\$54.05
Child Disability Allowance	Fixed rate	\$40.73
Childcare Subsidy ⁶	Maximum amount	\$175.50
Unsupported Child's Benefit and Orphan's Benefit (per child)	Child is aged 14 years or over	\$157.92
	Child is aged 10–13 years	\$148.83
	Child is aged 5–9 years	\$139.73
	Child is aged under 5 years	\$121.50
Family Tax Credit ^{7,8}	First child or only child 15 years or under	\$82.00
	Second or subsequent child 0–12 years	\$57.00
	Second or subsequent child 13–15 years	\$65.00
	First child or only child 16 years and over	\$95.00
	Second or subsequent child 16 years or over	\$85.00

Notes

- 1 This is a selection of the more common types of supplementary benefits. These benefits may be received in combination with a pension or a main benefit, and may also be available to low-income earners.
- 2 All rates payable from 1 April 2008.
- 3 Maximum amounts of Accommodation Supplement available are subject to household circumstances and to income and asset tests. Amounts shown are payments per family of three or more people (eg two adults and one child, one adult and two children).
- 4 Includes South and West Auckland, Wellington, Tauranga, Nelson, Queenstown, Wanaka and Arrowtown.
- 5 Includes Christchurch, Hamilton, Hastings, Napier, Palmerston North and Rotorua.
- 6 Maximum amount shown is for the maximum number of subsidised hours (50) at the highest level of subsidy. The actual rate of subsidy received depends on hours subsidised and income.
- 7 Administered by Inland Revenue, but payments to Work and Income clients may be made through Work and Income. Prior to Working for Families, Inland Revenue delivered Family Support to low-income families with children.
- 8 Payments under this programme are not included in the expenditures reported in this publication. See the Inland Revenue *Annual Report* for information on expenditures under this programme.

New Zealand Superannuation and pensions

New Zealand Superannuation

Most recipients of New Zealand Superannuation are aged 65 years or over. New Zealand Superannuation is paid by Work and Income.

New Zealand Superannuation is 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".

Pensions

Most pensions are paid to people who have reached the age of 65 years. Pensions paid by MSD include Veteran's Pensions and War Disability Pensions. These pensions aim, in part, to acknowledge recipients' contribution to society as members of the armed forces.

Veteran's Pensions are paid by Work and Income, and are 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.

Until 1 July 2008, War Disablement Pensions were paid through MSD's Students, Seniors and Integrity Services service line. From 1 July 2008, administration of these pensions was moved to Veterans' Affairs New Zealand. 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. Payments through MSD were determined via assessments carried out by a board of assessors who were 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.

Income testing and payment rates of New Zealand Superannuation and pensions

Income testing and receipt of supplementary benefits

New Zealand Superannuation and 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 New Zealand Superannuation or a pension are eligible to receive supplementary benefits from Work and Income to assist with meeting necessary costs of living. Supplementary benefits paid to people receiving New Zealand Superannuation or 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 New Zealand Superannuation and 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 for New Zealand Superannuation and Veteran's Pensions payable from 1 April 2008.

table 2.3 Weekly payment rates for New Zealand Superannuation and Veteran's Pensions (payable from 1 April 2008)

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	\$219.90	\$208.93
Married, each, only one qualifies ⁴	\$209.68	\$198.71
Married, each, only one qualifies, and application accepted before 1 October 1991 ⁴	\$219.90	\$208.93
Single, living alone	\$285.87	\$274.90
Single, living with others	\$263.88	\$252.91

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 2008. New Zealand Superannuation and Veteran's Pension payments are made fortnightly at double the indicated rates.
- 3 Rates shown are exclusive of Family Tax Credits paid by Inland Revenue.
- 4 Where one partner is a non-qualified spouse (eg they are under the qualifying age or do not meet residency requirements), the amount paid is income tested. 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, as well as people receiving a benefit or pension from Work and Income, may be eligible to receive this assistance.

Hardship assistance may be paid as:

- an ongoing payment (Temporary Additional Support or a Special Benefit) to people whose outgoings exceed their income on an ongoing basis, or
- one-off payments 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 a range of employment and training assistance to help clients gain paid employment. These include:

- assistance with job search and preparation to enter employment
- employment or training assistance that helps 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 they employ
- 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.

Employment and training assistance, such as help with CVs, job search and work experience is provided by Work and Income to anyone who:

- is seeking or preparing for work
- meets residency requirements
- is of working age.

More intensive assistance, such as wage subsidies and business assistance, is generally focused on people who are disadvantaged in the local labour market and at risk of long-term benefit dependency.

Work and Income also provides assistance to people with ill health and disabled people so they can gain or retain paid employment, training or self employment.

Registered job seekers

A registered job seeker is a person:

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

While registered job seekers remain eligible for a wide range of employment and training assistance offered by Work and Income, they form only one group among the clients whom Work and Income assist.

The number of registered job seekers is an administrative statistic that differs from 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 helps clients meet the costs of seeking or taking up paid work. The assistance can be used for:

- job-seeking costs — to help with essential costs involved in seeking paid work and attending interviews
- job placement costs — to help with the essential costs of moving into paid work (eg clothing required for work)
- bridging finance — to meet living costs prior to clients receiving their first pay.

Job Search Service

The Job Search Service is a 13-week job search support programme for Unemployment Benefit clients and any other benefit recipients who choose to take part. It was progressively implemented during the 2005/2006 financial year.

The programme involves seminars, planning and assessment sessions and monitors the client's job search progress. Throughout the 13 weeks, Work and Income will talk regularly with clients to ensure they are getting the right level of support. Clients needing extra support will have a case manager assigned to work with them on a one-on-one basis.

Overall trends in use of financial assistance and employment services

There have been decreases since 2004 in the total numbers of (see table 2.4):

- clients receiving a main benefit
- registered job seekers.

These decreases were apparent among clients of all ages (see table 2.4), and reflect a number of factors, including:

- improved economic conditions (reflected in falling official unemployment levels)
- demographic changes, including an ageing population, people having children later in life, and increased immigration
- changes in policies and in Work and Income operational processes, including Work and Income placing an increased emphasis on supporting clients to obtain and retain paid work, and on ensuring carers are receiving the assistance they are entitled to.

Increases since 2004 in the number of people receiving a pension or New Zealand Superannuation (see table 2.4) reflect the impact of ageing of the New Zealand population. This growth in the number of people aged 65 years or over resulted in New Zealand Superannuation grants each year exceeding cessations of New Zealand Superannuation over the same period.

A slight increase over the last year in the number of people receiving one or more supplementary benefits, a Special Benefit, or Temporary Additional Support (see table 2.4) reflects both the replacement of Special Benefits by Temporary Additional Support from April 2006 and increased use of supplementary benefits by clients receiving Invalid's Benefits.

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 and assistance received at the end of June	Clients receiving financial assistance from Work and Income or registered as job seekers ¹				
	2004 Number	2005 Number	2006 Number	2007 Number	2008 Number
All recipients of a main benefit ²	320,121	301,389	291,241	271,569	268,972
Working age recipients of a main benefit ²	309,360	290,466	280,299	261,009	258,317
All registered job seekers	107,590	83,633	77,470	60,182	47,435
Working age registered job seekers	104,360	80,869	75,020	58,090	45,643
Pension recipients ^{3,4}	473,089	484,086	498,297	512,782	525,012
Recipients of one or more supplementary benefits, a Special Benefit or Temporary Additional Support ^{5,6}	437,473	450,002	464,017	462,795	466,402

Notes

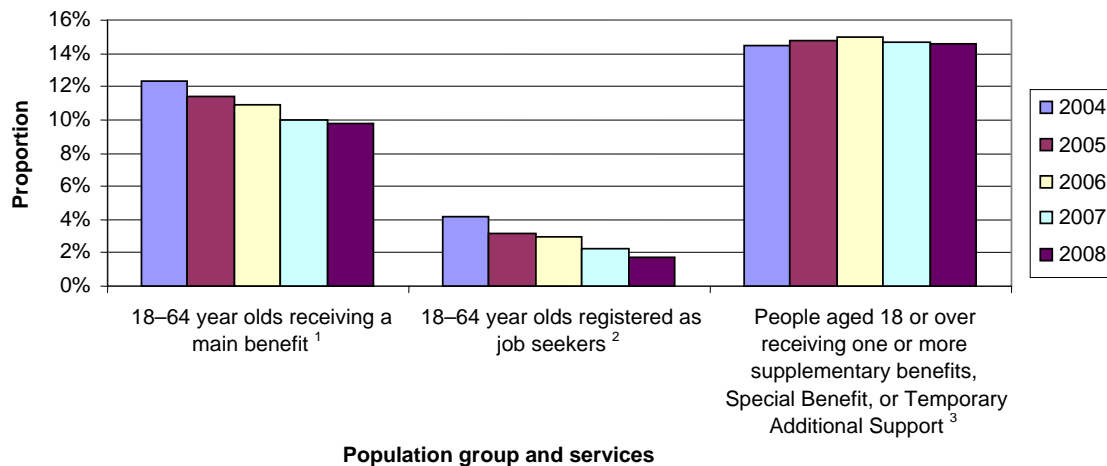
- 1 Numbers of clients recorded in SWIFTT or SOLO as receiving assistance from Work and Income at the end of June.
- 2 All counts of recipients of main benefits in this report exclude partners, spouses and children of people receiving main benefits.
- 3 Includes recipients of New Zealand Superannuation. All counts of pension recipients in this report include qualified recipients and non-qualified spouses receiving pensions, but exclude other dependents.
- 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 as well as Temporary Additional Support or a Special Benefit. Also includes some clients receiving only an Unsupported Child's Benefit or an Orphan's Benefit.
- 6 These clients may be receiving a pension or a main benefit, or may have a low income from paid employment or from some other source.

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

Decreases since 2004 in the proportions of working age people in the New Zealand population who were receiving a main benefit at the end of June each year, and who are registered as job seekers at the same date, (see figure 2.1) reflect the economic, policy, operational and demographic factors outlined above.

Over the same period, around 15% of people aged 18 years or over have been receiving one or more supplementary benefits, a Special Benefit, or Temporary Additional Support (see figure 2.1).

figure 2.1 Trends in the proportions of working age people receiving a main benefit, of working age people registered as job seekers, and of people aged 18 years or over receiving one or more supplementary benefits, a Special Benefit or Temporary Additional Support



Notes

- 1 Proportion shows:
 - a numbers of 18-64 year olds recorded in SWIFTT as receiving a main 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), a Special Benefit or Temporary Additional Support 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 2004, 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 main benefits

Trends in the number of clients receiving a main benefit

Decreases since 2004 in the number of recipients of main benefits (see table 2.5) reflect the combination of economic changes, demographic changes, policy changes and operational factors outlined above. Of the working age recipients of main benefits over this period, between 33% and 36% were aged 25-39 years, while between 29% and 32% were aged 40-54 years.

table 2.5 Trends in the ages of recipients of a main benefit

Age of client at the end of June	2004	2005	2006	2007	2008
	Number	Number	Number	Number	Number
Working age clients receiving a main benefit¹					
18–19 years	13,508	11,763	11,042	9,502	10,237
20–24 years	36,590	33,123	31,352	28,424	28,748
25–29 years	35,878	32,900	31,419	28,378	27,559
30–34 years	38,506	34,911	32,458	28,761	27,315
35–39 years	37,762	35,805	34,483	31,819	31,059
40–44 years	35,774	34,154	33,035	30,581	29,863
45–49 years	28,018	27,511	27,937	27,430	28,075
50–54 years	24,399	23,946	23,884	23,599	23,643
55–59 years	26,265	25,351	25,099	23,962	23,542
60–64 years	32,660	31,002	29,590	28,553	28,276
Total working age clients	309,360	290,466	280,299	261,009	258,317
Other clients receiving a main benefit¹					
Total other clients	10,761	10,923	10,942	10,560	10,655
All clients receiving a main benefit¹					
Total	320,121	301,389	291,241	271,569	268,972

Note

1 Numbers of clients recorded in SWIFTT as receiving a main benefit at the end of June.

Since 2004, the proportion of working age recipients of main benefits who were receiving an unemployment-related benefit has decreased (from 24% to 9%), while the proportions receiving Invalid's Benefits increased (from 23% to 32%) (see table 2.6). These changes in use of different types of main benefits reflect, in part, the economic, demographic and other changes outlined earlier.

The proportion of these clients who had received their benefit for over two years increased slightly between 2004 and 2007 (from 52% to 56%), but decreased to 54% in the last year (see table 2.7). The decrease over the last year reflects the impact of a bulk cancellation of benefits to transfer clients from fortnightly to weekly payments (which led to clients beginning new benefit spells), while the increase over the previous three years reflects changes in the proportion of recipients of main benefits who are receiving longer-term benefits such as Invalid's Benefit or carer's benefits.

table 2.6 Trends in the types of main benefit received by working age clients

Type of main benefit received at the end of June	Working age clients receiving a main benefit ¹				
	2004 Number	2005 Number	2006 Number	2007 Number	2008 Number
Unemployment-related benefits ²	73,572	55,342	45,498	29,488	24,285
Carer's benefits ³	108,893	105,647	101,641	96,467	96,440
Sickness-related benefits ⁴	43,698	45,176	47,072	48,063	46,271
Invalid's Benefit	70,807	73,186	75,349	77,301	82,879
Widow's Benefit	8,261	7,637	7,001	6,287	5,803
Emergency Benefit	4,129	3,478	3,738	3,403	2,639
Total	309,360	290,466	280,299	261,009	258,317

Notes

- 1 Numbers of working age clients recorded in SWIFTT as receiving a main benefit at the end of June.
- 2 Comprises Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people or to those in training, and Independent Youth Benefits.
- 3 Comprises Domestic Purposes Benefits – Sole Parent, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.
- 4 Comprises Sickness Benefits and Sickness Benefits – Hardship.

table 2.7 Trends in the length of current spells receiving a main benefit, for working age clients

Length of current spell at the end of June	Working age clients receiving a main benefit ¹				
	2004 Number	2005 Number	2006 Number	2007 Number	2008 Number
Under 6 months	65,082	57,632	55,658	48,230	51,531
6 months – 2 years	84,477	79,764	75,070	67,869	67,676
2–4 years	55,720	52,118	50,530	48,466	44,454
Over 4 years	104,081	100,952	99,041	96,444	94,656
Total	309,360	290,466	280,299	261,009	258,317

Note

1 Numbers of working age clients recorded in SWIFTT as receiving a main benefit at the end of June.

Since 2004, around 46% of working age recipients of main benefits have identified as New Zealand European, and around 31% as Māori (see table 2.8).

table 2.8 Trends in the ethnicity of working age recipients of a main benefit

Recorded ethnicity at the end of June	Working age clients receiving a main benefit ¹				
	2004 Number	2005 Number	2006 Number	2007 Number	2008 Number
Māori	94,714	89,822	87,003	81,189	81,268
Pacific peoples	22,903	21,526	20,853	19,476	19,719
Other ethnic groups	42,161	39,131	37,276	34,940	34,431
New Zealand European	144,890	135,224	130,259	120,390	117,485
Not coded	4,692	4,763	4,908	5,014	5,414
Total	309,360	290,466	280,299	261,009	258,317

Note

1 Numbers of working age clients recorded in SWIFTT as receiving a main benefit at the end of June.

Trends in main benefits granted

Decreases since 2003/2004 in the number of main benefits granted (see table 2.9) reflect a mix of improved economic conditions and changes in Government policies and in operational practices. Over this period, between 38% and 41% of the working age clients granted these benefits had not received a main benefit in the previous 12 months, while around 28% had transferred from another benefit or district.

table 2.9 Trends in the length of periods since clients granted a main benefit last received any main benefit

Period since client last received any main benefit	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number
	Working age clients granted a main benefit¹				
None (clients transferring between benefits or districts, or transferring from the same type of benefit) ^{2,3}	69,348	61,276	56,342	55,322	54,339
Under 6 months	44,958	41,508	37,451	34,586	31,985
6–12 months	35,257	32,164	28,103	23,856	22,639
12–18 months	11,136	10,696	10,682	8,873	9,316
18 months – 2 years	8,893	8,120	8,281	7,049	6,840
2–4 years	16,765	15,250	15,960	14,580	13,861
Had not received a main benefit in previous four years	55,126	49,477	49,309	46,195	46,178
Total main benefits granted to working age clients	241,483	218,491	206,128	190,461	185,158
	Other clients granted a main benefit¹				
Main benefits granted to other clients	8,760	8,808	8,111	7,291	7,662
	All clients granted a main benefit¹				
Total	250,243	227,299	214,239	197,752	192,820

Notes

- 1 Numbers of successful applications for main benefits recorded in SWIFTT during years ended June.
- 2 Includes only a minority of transfers of benefits between districts. Most such transfers are accomplished without cancelling and re-granting benefits.
- 3 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).

Over this period, unemployment-related benefits accounted for a decreasing proportion of main benefits granted to working age clients (41% in 2007/2008, compared with 56% in 2003/2004), while the proportions accounted for by carer's benefits and sickness-related benefits both increased. Invalid's Benefits accounted for an increased proportion of these benefits between 2006/2007 and 2007/2008 (see table 2.10).

table 2.10 Trends in the types of main benefit granted to working age clients

Type of main benefit granted	Main benefits granted to working age clients ¹				
	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number
Unemployment-related benefits ²	134,572	115,508	103,945	88,642	76,835
Carer's benefits ³	36,604	35,304	34,142	33,471	36,494
Sickness-related benefits ⁴	47,663	47,259	47,517	48,666	49,518
Invalid's Benefit	11,044	10,898	10,841	11,074	15,007
Widow's Benefit	1,981	1,953	1,780	1,593	1,623
Transitional Retirement Benefit ⁵	1,242	0	0	0	0
Emergency Benefit	8,377	7,569	7,903	7,015	5,681
Total	241,483	218,491	206,128	190,461	185,158

Notes

- 1 Numbers of successful applications from working age clients for main benefits recorded in SWIFTT during years ended June.
- 2 Comprises Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people or to those in training, and Independent Youth Benefits.
- 3 Comprises Domestic Purposes Benefits – Sole Parent, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.
- 4 Comprises Sickness Benefits and Sickness Benefits – Hardship.
- 5 Phasing-out of this benefit was completed on 1 April 2004.

Trends in main benefits cancelled

Reductions since 2003/2004 in the number of main benefits cancelled each year (see table 2.11) reflect the reduction in total numbers receiving a main benefit. Over the last three years, the proportion of working age clients cancelling main benefits who entered paid work decreased slightly, from 37% to 33%, with a corresponding increase in the proportion transferring to another main benefit.

table 2.11 Trends in reasons for clients cancelling main benefits

Reason main benefit cancelled	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number
Main benefits cancelled by working age clients¹					
Obtained paid work ²	94,983	88,413	75,591	74,514	61,113
Transferred to another benefit, pension or district ^{3,4}	71,092	61,885	57,639	56,603	55,123
Other ²	101,691	89,520	81,158	79,985	71,394
Total main benefits cancelled by working age clients	267,766	239,818	214,388	211,102	187,630
Main benefits cancelled by other clients¹					
Total main benefits cancelled by other clients	9,220	9,508	8,685	8,326	7,441
Main benefits cancelled by all clients¹					
Total	276,986	249,326	223,073	219,428	195,071

Note

- 1 Numbers of cancellations of main benefits recorded in SWIFTT during years ended June.
- 2 Due to recoding of reasons for cancelling main benefits, these figures may not reconcile with those published in previous years.
- 3 "Transferred to another benefit [or] pension" includes some transfers from main benefits to New Zealand Superannuation, including those previously shown 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 arise from a change of address by the client or from 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.

Forty-four percent of main benefits cancelled by working age clients in 2007/2008 were unemployment-related, compared with 51% in 2006/2007. There was a corresponding increase in the proportion which were sickness-related benefits (from 22% to 27%) (see table 2.12).

table 2.12 Trends in the types of main benefit cancelled by working age clients

Type of main benefit cancelled	Main benefits cancelled by working age clients ¹				
	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number
Unemployment-related benefits ²	167,674	137,069	113,315	106,827	82,720
Carer's benefits ³	37,627	38,960	38,698	39,273	36,873
Sickness-related benefits ⁴	42,608	45,219	44,742	47,254	51,207
Invalid's Benefit	7,158	7,961	8,082	8,454	8,530
Widow's Benefit	2,138	2,189	2,094	1,996	1,832
Transitional Retirement Benefit ⁵	2,352	0	0	0	0
Emergency Benefit	8,209	8,420	7,457	7,298	6,468
Total	267,766	239,818	214,388	211,102	187,630

Notes

- 1 Numbers of cancellations by working age clients of main benefits recorded in SWIFTT during years ended June.
- 2 Comprises Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to those in training, and Independent Youth Benefits.
- 3 Comprises Domestic Purposes Benefits – Sole Parent, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.
- 4 Comprises Sickness Benefits and Sickness Benefits – Hardship.
- 5 Phasing-out of this benefit was completed on 1 April 2004.

Trends in expenditure on pensions and main benefits

Please note that expenditure data provided in table 2.13 and table 2.14 excludes expenditure on supplementary benefits paid to recipients of the main benefit shown, while expenditure data provided in Sections 3 and 8 of this report includes this expenditure.

Please note also that all 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 provided in tables 2.6, 2.10 and 2.11 above of clients receiving, granted or ceasing unemployment-related benefits, however, exclude information about the use of the Emergency Benefit and the Emergency Unemployment Benefit. Use of these benefits is reported under the heading "Emergency Benefits" in this report.

Expenditure on main benefits has decreased since 2003/2004, although the rate of decrease has slowed in recent years (see table 2.13). This trend reflects changes in both the use of main benefits and the levels at which main benefits are paid.

Thirty-two percent of the total expenditure on main benefits in 2007/2008 was on Invalid's Benefits, and another 15% on sickness-related benefits. This compares with 23% and 11% respectively in 2003/2004. Over the same period, the proportion of main benefit expenditure accounted for by (see table 2.13):

- unemployment-related benefits decreased from 26% to 12%
- carer's benefits was around 37%.

Increases since 2003/2004 in annual pension expenditure (see table 2.13) reflect both increases in the number of clients receiving pensions and adjustments to the rate at which pensions are paid. Over this period, New Zealand Superannuation has accounted for virtually all expenditure on pensions.

table 2.13 Trends in expenditure on pensions and main benefits

Type of pension or main benefit	Expenditure on pensions and main benefits ^{1,2,3}				
	2003/2004 Amount (\$m)	2004/2005 Amount (\$m)	2005/2006 Amount (\$m)	2006/2007 Amount (\$m)	2007/2008 Amount (\$m)
Unemployment-related benefits and Emergency Benefit ^{4,6}	939	721	618	531	398
Carer's benefits ^{4,7}	1,303	1,283	1,238	1,216	1,223
Sickness-related benefits ^{4,8}	398	431	457	483	491
Invalid's Benefit ⁴	817	858	897	945	1,014
Widow's Benefit ⁴	78	74	69	65	61
Transitional Retirement Benefit ^{4,9}	9	0	0	0	0
Total expenditure on main benefits⁴	3,543	3,368	3,279	3,240	3,186
New Zealand Superannuation ⁵	4,837	4,984	5,232	5,542	5,966
Veteran's Pension ⁵	91	98	105	118	133
Total pensions expenditure⁵	4,928	5,083	5,337	5,661	6,099
Total expenditure on main benefits and pensions	8,471	8,450	8,617	8,900	9,285

Notes

- 1 Expenditure for years ended June. Expenditure shown is calculated on an accrual basis and excludes debts established.
- 2 Expenditure data in this table differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.
- 3 Figures shown may not add to the totals provided because of rounding.
- 4 Expenditure on main benefits excludes tax paid on these benefits, and excludes supplementary benefits provided to recipients of a main benefit.
- 5 Expenditure on 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 Comprises 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.
- 7 Comprises Domestic Purposes Benefits – Sole Parent, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefit – Women Alone, and Emergency Maintenance Allowances.
- 8 Comprises Sickness Benefits and Sickness Benefits – Hardship.
- 9 Phasing-out of this benefit was completed on 1 April 2004.

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

The proportion of Gross Domestic Product accounted for by expenditure on pensions and main benefits has decreased since 2003/2004, although the rate of decrease has slowed in the last two years (see table 2.14). This reflects slowing decreases in expenditure on main benefits and ongoing increases in expenditure on pensions during a period when GDP was expanding yearly.

table 2.14 Trends in the proportion of Gross Domestic Product accounted for by expenditure on pensions and main benefits

Type of expenditure	Expenditure on pensions and main benefits ^{1,2,3}				
	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008
Total expenditure on main benefits (\$m) ⁴	3,543	3,368	3,279	3,240	3,186
Total expenditure on pensions (\$m) ⁵	4,928	5,083	5,337	5,661	6,099
Total expenditure on pensions and main benefits (\$m)	8,471	8,450	8,617	8,900	9,285
Gross Domestic Product (GDP) (\$m) ⁶	143,127	152,060	158,283	168,571	179,048
Expenditure on main benefits as a percentage of GDP⁴	2.5%	2.2%	2.1%	1.9%	1.8%
Expenditure on pensions as a percentage of GDP⁵	3.4%	3.3%	3.4%	3.4%	3.4%
Percentage of Gross Domestic Product⁷	5.9%	5.6%	5.4%	5.3%	5.2%

Notes

- 1 Expenditure on pensions and main benefits for years ended June. Expenditure shown is calculated on an accrual basis and excludes debts established.
- 2 Expenditure data in this table differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.
- 3 Figures shown may not add to the totals provided because of rounding.
- 4 Excludes tax paid on main benefits, and excludes expenditure on supplementary benefits provided to recipients of main benefits.
- 5 Includes expenditure on New Zealand Superannuation. 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 2008 quarter data. Value shown is sum of quarters ended September to June.

7 Total combined expenditure on pensions and main benefits for years ended June as a percentage of Gross Domestic Product in years ended June.

Trends in the distribution of main benefit expenditure among client groups

The distribution among client groups of expenditure on main benefits reflects a combination of factors. These include patterns in: the uptake of main benefits; the length of spells receiving a main benefit; and whether or not clients have dependent children.

Of annual expenditure on main benefits since 2003/2004:

- the proportion accounted for by clients aged 40–64 years increased slightly (from 45% to 49%), with a corresponding decrease in the proportion accounted for by clients aged 25–39 years (see table 2.15)
- around 65% was accounted for by women (see table 2.16)
- around 44% was accounted for by New Zealand Europeans, and around 31% by Māori (see table 2.17).

table 2.15 Trends in the distribution across age groups of expenditure on main benefits

Age of client when payment made	2003/2004 Percent	2004/2005 Percent	2005/2006 Percent	2006/2007 Percent	2007/2008 Percent
Percentage of expenditure on main benefits paid to working age clients^{1,2}					
18–19 years	3.5%	3.3%	3.3%	3.2%	1.9%
20–24 years	11.2%	10.7%	10.6%	10.4%	9.5%
25–29 years	11.9%	11.5%	11.3%	11.1%	11.1%
30–39 years	25.7%	25.2%	24.4%	23.8%	23.8%
40–49 years	20.1%	20.7%	21.1%	21.5%	22.1%
50–59 years	15.3%	15.8%	16.3%	16.7%	16.9%
60–64 years	9.4%	9.6%	9.6%	9.7%	10.2%
Total working age clients	97.1%	96.8%	96.6%	96.5%	95.5%
Percentage of expenditure on main benefits paid to other clients^{1,2}					
Total other clients	2.9%	3.2%	3.4%	3.5%	4.5%
Percentage of expenditure on main 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 main benefits in years ended June. Due to rounding, percentage figures may not add to the totals indicated.
- 2 Excludes tax paid on main benefits, and excludes expenditure on supplementary benefits provided to clients receiving a main benefit.

table 2.16 Trends in the distribution across gender groups of expenditure on main benefits

Gender of client	Percentage of expenditure on main benefits ^{1,2}				
	2003/2004 Percent	2004/2005 Percent	2005/2006 Percent	2006/2007 Percent	2007/2008 Percent
Female	64.0%	65.1%	64.9%	64.7%	65.2%
Male	36.0%	34.9%	35.1%	35.3%	34.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Notes

- 1 Percentage of expenditure on main benefits in years ended June. Due to rounding, percentage figures may not add to the totals indicated.
- 2 Excludes tax paid on main benefits, and excludes expenditure on supplementary benefits provided to clients receiving a main benefit.

table 2.17 Trends in the distribution across ethnic groups of expenditure on main benefits

Ethnic group client identifies with at end of year shown	Percentage of expenditure on main benefits ^{1,2}				
	2003/2004 Percent	2004/2005 Percent	2005/2006 Percent	2006/2007 Percent	2007/2008 Percent
Māori	30.5%	30.7%	31.0%	31.0%	31.0%
Pacific peoples	7.8%	7.9%	7.9%	8.0%	8.0%
Other ethnic groups	15.2%	15.3%	15.1%	15.2%	15.4%
New Zealand European	45.3%	44.7%	44.7%	44.1%	44.1%
Unspecified	1.2%	1.5%	1.4%	1.6%	1.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Notes

- 1 Percentage of expenditure on main benefits in years ended June. Due to rounding, percentage figures may not add to the totals indicated.
- 2 Excludes tax paid on main benefits, and excludes expenditure on supplementary benefits provided to clients receiving a main benefit.

Children dependent on recipients of a main benefit and on registered job seekers

Trends in the number of children dependent on recipients of a main benefit

Decreases since 2004 in the number of children dependent on recipients of a main benefit (see table 2.18) reflect decreases in numbers receiving main benefits. Of the children dependent on working age benefit recipients over this period, around 82% have been aged under 14 years, including between 30% and 32% who were aged under five years.

table 2.18 Trends in the ages of children dependent on recipients of a main benefit

Age of child at the end of June	2004	2005	2006	2007	2008
	Number	Number	Number	Number	Number
	Children dependent on working age recipients of a main benefit¹				
0–4 years	74,540	70,248	66,478	63,122	63,947
5–9 years	74,119	69,876	65,579	59,808	57,585
10–13 years	54,253	51,230	48,018	43,777	42,343
14–17 years	40,925	40,326	39,522	36,914	35,233
18–19 years	1,619	1,648	1,747	1,703	1,570
Total children dependent on working age clients	245,456	233,328	221,344	205,324	200,678
	Children dependent on other recipients of a main benefit¹				
Total children dependent on other clients	1,144	1,147	1,171	1,070	1,081
	All children dependent on recipients of a main benefit¹				
Total	246,600	234,475	222,515	206,394	201,759

Note

- 1 Numbers of children dependent on carers who were recorded in SWIFFT as receiving a main benefit at the end of June.

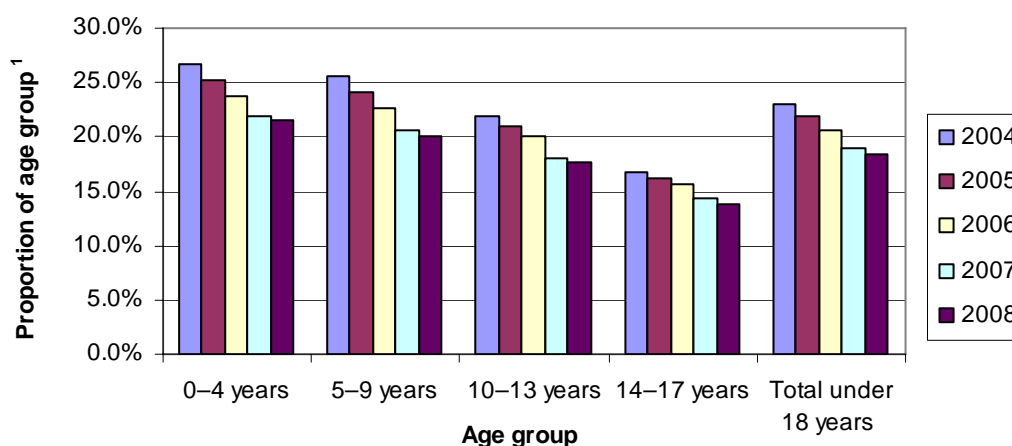
Trends in the proportion of all children aged under 18 years dependent on recipients of a main benefit

Decreases since 2004 in the proportion of all children in New Zealand aged under 18 years who were dependent on recipients of a main benefit at the end of June each year (see figure 2.2) reflect:

- decreases in the number of people receiving a main 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 a main benefit.

Since 2004, the likelihood of children aged under 18 years being dependent on recipients of a main benefit has decreased for each age group (see figure 2.2).

figure 2.2 Trends in the proportion of children aged under 18 years dependent on recipients of a main benefit, by age



Note

1 Proportion shows:

- numbers of children in age group identified as dependent on people recorded in SWIFTT as receiving a main 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 SWIFTT data underlying figure 2.2.

Trends in the number of children dependent on registered job seekers

Decreases since 2004 in the number of children dependent on registered job seekers (see table 2.19) reflect decreases in the number of job seekers. Since 2004, the proportion of children dependent on working age job seekers who were aged under 14 years has decreased slightly (from 79% to 76%), while the proportion aged under five years has remained around 25%.

table 2.19 Trends in the ages of children dependent on registered job seekers

Age of child at the end of June	2004 Number	2005 Number	2006 Number	2007 Number	2008 Number
Children dependent on working age job seekers^{1,2}					
0-4 years	13,757	10,749	9,790	7,618	4,393
5-9 years	15,789	11,594	11,039	8,516	4,786
10-13 years	13,774	9,724	9,057	7,157	4,120
14-17 years	11,223	8,218	8,043	6,789	3,987
18-19 years	492	407	427	363	192
Total children dependent on working age job seekers	55,035	40,692	38,356	30,443	17,478
Children dependent on other job seekers^{1,2}					
Total children dependent on other job seekers	66	54	58	53	37
All children dependent on job seekers^{1,2}					
Total	55,101	40,746	38,414	30,496	17,515

Notes

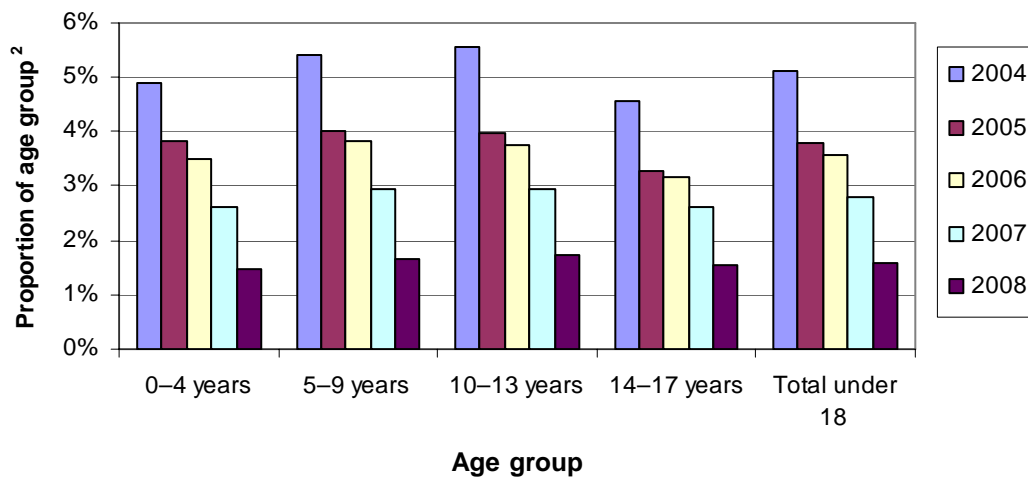
- Information on numbers and ages of dependent children is only available for job seekers who were also receiving financial assistance from Work and Income. Between 2004 and 2008, the proportion of registered job seekers receiving such assistance has decreased markedly, although it remains a majority of registered job seekers.
- 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 2004 in the proportion of all children in New Zealand aged under 18 years who were dependent on registered job seekers at the end of June each year (see figure 2.3) largely reflect reductions in the numbers of job seekers.

Since 2004, children aged 5–13 years have been more likely than children aged under five years or children aged 14–17 years to be dependent on registered job seekers (see figure 2.3). Lower proportions of zero to four year olds dependent on job seekers reflect 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), while lower proportions of 14–17 year olds appear to reflect in part the greater ease of obtaining work without facing the requirement to provide supervision of children aged under 14 years.

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. Between 2004 and 2008, the proportion of registered job seekers receiving such assistance has decreased markedly, although it remains a majority of registered job seekers.
- 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 a main benefit

People receiving a main 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.

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 main 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 \$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 Parent who are paying for childcare can earn \$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.

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 they are receiving a benefit or pension that is not income tested.

From 1 October 2004, people receiving a main 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 a main 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 a main benefit who declared other income

Decreases since 2004 in the number of recipients of main benefits who declared other income (see table 2.20) reflect in part decreases in the number of main benefit recipients. Since 2004/2005, the proportions of working age recipients of main benefits declaring other income has decreased slightly (from 22% to 19%). Over this period, around 64% of those clients declared income of over \$80 per week before tax.

table 2.20 Trends in the levels of other income declared by recipients of a main benefit

Level of other income declared ¹	2004 Number	2005 Number	2006 Number	2007 Number	2008 Number
	Working age recipients of a main benefit²				
Total working age clients not declaring income	243,294	227,146	221,793	207,365	208,380
Income declared³					
\$1.00 – \$39.99	12,787	11,618	10,632	9,565	8,813
\$40.00 – \$79.99	11,918	11,055	10,255	9,451	8,588
\$80.00 – \$119.99	13,605	13,468	12,548	11,233	9,894
\$120.00 – \$159.99	7,484	7,306	6,947	6,195	5,863
\$160.00 – \$179.99	3,022	2,868	2,714	2,575	2,245
\$180.00 – \$199.99	2,852	2,811	2,610	2,548	2,580
\$200.00 or over	14,398	14,194	12,800	12,077	11,954
Total working age clients declaring income³	66,066	63,320	58,506	53,644	49,937
Total working age recipients	309,360	290,466	280,299	261,009	258,317
	Other recipients of a main benefit²				
Other clients declaring income³	1,143	1,330	1,391	1,436	1,555
Other clients not declaring income	9,618	9,593	9,551	9,124	9,100
Total other recipients of main benefits	10,761	10,923	10,942	10,560	10,655
	All recipients of a main benefit²				
Total	320,121	301,389	291,241	271,569	268,972

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 a main benefit at the end of June.
- 3 Numbers of recipients of a main benefit with one or more income declarations effective in the year ended June.

Since 2004, the proportion of these benefit recipients who were receiving an unemployment-related benefit has decreased (from 21% to 7%), while the proportions receiving sickness-related benefits and Invalid's Benefits have each increased (see table 2.21). These changes reflect patterns in benefit use.

table 2.21 Trends in the types of main benefit received by working age clients declaring other income

Type of main benefit received when income declared ¹	Working age recipients of a main benefit who declared other income ²				
	2004 Number	2005 Number	2006 Number	2007 Number	2008 Number
Unemployment-related benefits ³	13,889	10,189	7,725	5,032	3,291
Carer's benefits ⁴	26,068	26,229	23,753	21,790	20,235
Sickness-related benefits ⁵	6,117	6,551	6,550	6,598	5,925
Invalid's Benefit	15,592	16,389	16,784	16,935	17,657
Widow's Benefit	3,942	3,589	3,298	2,901	2,558
Emergency Benefit	458	373	396	388	271
Total	66,066	63,320	58,506	53,644	49,937

Notes

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

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

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 main benefits and of job seeker registrations.

Eligibility criteria for each pension and each main benefit are outlined in Section 3. Section 2 contains information about payment rates for pensions and main benefits. Additional information about income tests, work tests and other case management processes that may be applicable to recipients of pensions and main 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 main 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.

Between 1 October 1998 and 30 June 2001:

- an Unemployment Benefit paid to an unemployed person was known as a Community Wage – Job Seeker
- an Unemployment Benefit – Hardship paid to an unemployed person was known as a Community Wage – Emergency Job Seeker
- an Unemployment Benefit paid to a person in training was known as a Community Wage – Training.

Clients receiving an unemployment-related benefit are subject to a full-time work test, with most being registered as job seekers. Between April 1997 and September 2007, the spouses or partners of clients receiving an unemployment-related benefit were also subject to a full-time work test if:

- they had no dependent children, or
- their youngest dependent child was aged 14 years or over.

Between April 1997 and 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.

Between February 1999 and September 2007, the spouses or partners of recipients of an unemployment-related benefit whose dependent children were aged under 14 years were 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 was to plan their entry into paid work once their youngest dependent child reached the age of six years).

From September 2007, spouses and partners of recipients of an unemployment-related benefit were subject to:

- a full-time work test if they had no dependent children, or if their youngest dependent child was aged 18 or over (unless that child was aged 18 years and engaged in full-time education or training)
- a part-time work test if their youngest child was aged 6–17 years, or was aged 18 years and engaged in full-time education or training.

From September 2007, these partners or spouses have not been subject to work test requirements if the couple's youngest dependent child is aged under six years. However, these partners or spouses are obliged to engage with the Personal Development and Employment planning process if required.

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 pre-employment drug tests if required to by a prospective employer (from October 2003)
- commute to seek and undertake paid work if there is no such work available in their local area (from 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 16–17 years, married or in a civil union, and supporting dependent children.

Residency and income tests apply.

Clients applying for an Unemployment Benefit must meet all pre-benefit requirements (eg attending pre-benefit courses, applying for jobs) before receiving a benefit.

From 8 December 2003, clients aged 55–59 years applying for an Unemployment Benefit could no longer receive a work-test exemption. Unemployment Benefit recipients previously exempted from the work test through being aged 55–59 years had this exemption removed from January 2004, 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 16–17 years, married or in a civil union, and supporting dependent children.

Income and residency qualifications apply.

Unemployment Benefit – Hardship

An Unemployment Benefit – Hardship is available to people who don't 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 – Student 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 16–17 year olds who, for some serious reason, can't live with their parents, can't get financial support from their parents or anyone else, and are:

- actively looking for full-time 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.

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

Decreases since 2004 in the number of clients receiving an unemployment-related benefit (see table 3.1) reflect improved economic conditions combined with policy and operational changes, as outlined in Section 2. Decreases in numbers receiving unemployment-related benefits have slowed over the last year. Over this period, virtually all recipients of these benefits have been working age clients, with most of the remainder aged under 18 years and receiving an Independent Youth Benefit.

Since 2005, the proportion of working age recipients of these benefits who were aged 55–64 years has fallen (from 21% to 16%), while the proportion aged 40–54 years has increased slightly (from 21% to 24%) (see table 3.1). Since 2004, there have been increases in the proportion of these benefit recipients who:

- were receiving a benefit paid to people in training (from 6% to 26%) (see table 3.2)
- had received their benefit for less than six months (from 39% to 58%) (see table 3.3).

table 3.1 Trends in the ages of recipients of an unemployment-related benefit

Age of client at the end of June	2004	2005	2006	2007	2008
	Number	Number	Number	Number	Number
Working age clients receiving an unemployment-related benefit^{1,2}					
18–19 years	7,574	5,630	4,550	2,787	2,893
20–24 years	12,695	9,651	7,587	4,713	4,123
25–29 years	8,676	6,578	5,627	3,456	2,873
30–34 years	7,284	5,367	4,545	2,904	2,425
35–39 years	6,235	4,819	4,106	2,789	2,249
40–44 years	5,821	4,312	3,706	2,507	2,097
45–49 years	5,090	3,875	3,385	2,342	2,111
50–54 years	4,510	3,347	2,816	1,931	1,665
55–59 years	5,161	3,398	2,735	1,716	1,375
60–64 years	10,526	8,365	6,441	4,343	2,474
Total working age clients	73,572	55,342	45,498	29,488	24,285
Other clients receiving an unemployment-related benefit^{1,2}					
Total other clients	3,193	2,497	1,930	1,437	1,365
All clients receiving an unemployment-related benefit^{1,2}					
Total	76,765	57,839	47,428	30,925	25,650

Notes

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

table 3.2 Trends in the types of unemployment-related benefit received by working age clients

Type of unemployment-related benefit received at the end of June	Working age clients receiving an unemployment-related benefit ¹				
	2004 Number	2005 Number	2006 Number	2007 Number	2008 Number
Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people	68,755	50,714	39,752	23,159	17,710
Unemployment Benefits and Unemployment Benefits – Hardship paid to people in training	4,469	4,364	5,566	6,099	6,432
Unemployment Benefit – Hardship paid to students	230	167	115	139	91
Independent Youth Benefit	118	97	65	91	52
Total	73,572	55,342	45,498	29,488	24,285

Note

- 1 Numbers of working age clients recorded in SWIFTT 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 age clients

Length of current spell to the end of June	Working age clients receiving an unemployment-related benefit ^{1,2}				
	2004 Number	2005 Number	2006 Number	2007 Number	2008 Number
Under 6 months	28,669	23,810	21,374	14,096	14,032
6 months–2 years	23,256	17,510	14,875	9,142	6,403
2–4 years	10,048	6,243	4,063	3,109	2,076
Over 4 years	11,599	7,779	5,186	3,141	1,774
Total	73,572	55,342	45,498	29,488	24,285

Notes

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

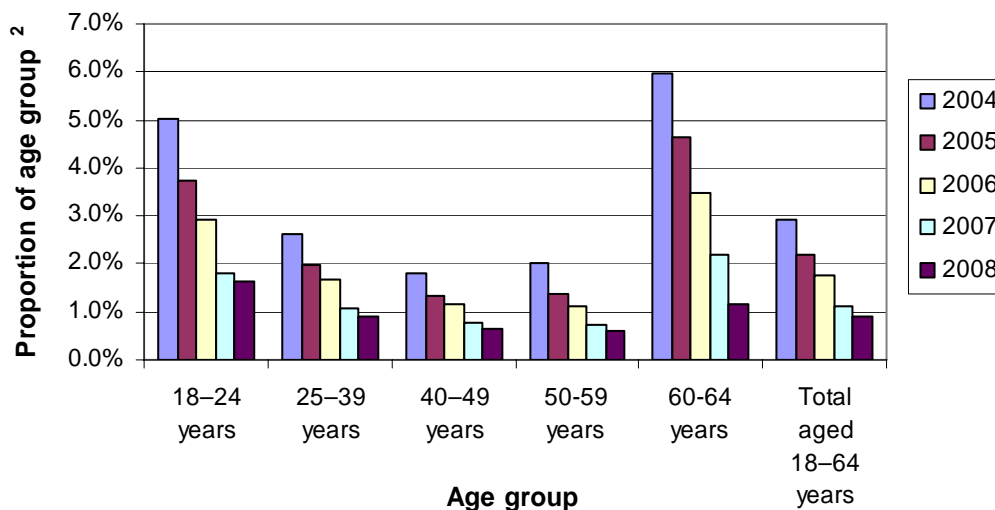
Table 8.1 (see Section 8) shows trends since 1940 in the number of clients receiving an unemployment-related benefit other than an Independent Youth Benefit. This table also shows trends since 1991 in the number of people receiving an Independent Youth Benefit.

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

The proportion of all working age people in the New Zealand population who were receiving an unemployment-related benefit at the end of June each year has decreased since 2004 (see figure 3.1). This reflects the economic, policy and operational factors outlined earlier.

Since 2004, 18–24 year olds and 60–64 year olds have been more likely than other age groups to be receiving an unemployment-related benefit. 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. These age groups have, however, experienced the steepest falls in the proportion receiving unemployment-related benefits (see figure 3.1). This reflects a focus by Work and Income on placing young people into work, and numbers of cancellations of these benefits by 60–64 year olds which exceed numbers of benefits granted.

figure 3.1 Trends in the proportion of working age people receiving an unemployment-related benefit,¹ by age



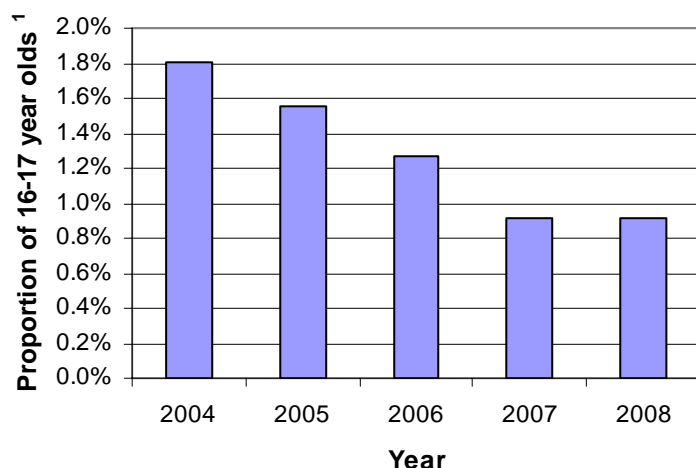
Notes

- 1 Unemployment-related benefits comprise 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

The proportion of all 16–17 year olds in the New Zealand population who were receiving an Independent Youth Benefit at the end of June each year has remained stable over the last two years, after decreasing over the previous three years (see figure 3.2). The flattening over the last year reflects a combination of a slowing fall in numbers of 16–17 year olds receiving Independent Youth Benefits between 2007 and 2008 and a small decrease over the same period in the number of 16–17 year olds in the population.

figure 3.2 Trends in the proportion of 16–17 year olds receiving an Independent Youth Benefit


Note

1 Proportion shows:

- a number of 16–17 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 2003/2004 in the numbers of unemployment-related benefits granted (see table 3.4) reflect both improved economic conditions and the impact of the operational and policy changes outlined above. Over this period, virtually all of these benefits were granted to working age clients. A large majority of the remainder were Independent Youth Benefits granted to 16–17 year olds.

Since 2003/2004, the proportion of working age clients granted these benefits who had received a main benefit in the previous 12 months has decreased (from 39% to 33%). There was a corresponding rise in the proportion of these clients who had transferred between benefits or districts (from 22% to 29%) (see table 3.4).

table 3.4 Trends in the length of periods since clients granted an unemployment-related benefit last received any main benefit

Period since client last received any main benefit	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number
Unemployment-related benefits granted to working age clients^{1,2}					
None (clients transferring between benefits or districts, or transferring from the same type of benefit) ^{3,4}	30,030	27,451	25,406	24,299	22,123
Under 6 months	26,140	22,482	18,584	15,680	12,525
6–12 months	26,057	22,309	18,216	14,497	12,452
12–18 months	6,322	5,616	5,215	3,923	3,638
18 months – 2 years	5,376	4,576	4,514	3,445	2,929
2–4 years	8,985	7,406	7,641	6,274	5,178
Had not received a main benefit in previous 4 years	31,662	25,668	24,369	20,524	17,990
Total granted to working age clients	134,572	115,508	103,945	88,642	76,835
Unemployment-related benefits granted to other clients^{1,2}					
Total granted to other clients	4,878	4,375	3,743	3,030	2,872
Total unemployment-related benefits^{1,2}					
Total	139,450	119,883	107,688	91,672	79,707

Notes

1. Unemployment-related benefits comprise 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.
3. Includes only a minority of transfers of benefits between districts. Most such transfers 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).

Since 2003/2004, the proportion of these clients who were unemployed (rather than being in training or students in hardship) decreased (from 78% to 73%) (see table 3.5).

table 3.5 Trends in the types of unemployment-related benefit granted to working age clients

Type of unemployment-related benefit granted	Unemployment-related benefits granted to working age clients ¹				
	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number
Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people	105,594	90,790	80,941	65,736	56,094
Unemployment Benefits and Unemployment Benefits – Hardship paid to people in training	10,024	9,268	10,210	11,965	11,876
Unemployment Benefit – Hardship paid to students	18,954	15,450	12,794	10,941	8,865
Total	134,572	115,508	103,945	88,642	76,835

Note

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

Trends in cancellations of unemployment-related benefits

Decreases since 2003/2004 in the number of unemployment-related benefits cancelled (see table 3.6) reflect decreases in the use of these benefits. Virtually all of these cancellations were by working age clients, with a large majority of the remainder being Independent Youth Benefits cancelled by 16–17 year olds.

Since 2005/2006, the proportion of working age clients cancelling unemployment-related benefits who entered paid work has decreased slightly (from 42% to 38%), with a corresponding increase in the proportion transferring to another benefit, pension or district (see table 3.6).

table 3.6 Trends in reasons for clients cancelling unemployment-related benefits

Reason for cancellation	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number
Unemployment-related benefits cancelled by working age clients^{1,2}					
Obtained paid work ³	71,893	61,611	48,144	43,606	31,680
Transferred to another benefit, pension or district ^{4,5}	36,269	29,939	27,569	27,826	24,161
Other ³	59,512	45,519	37,602	35,395	26,879
Total cancelled by working age clients	167,674	137,069	113,315	106,827	82,720
Unemployment-related benefits cancelled by other clients^{1,2}					
Total cancelled by other clients	4,962	5,450	4,490	3,662	2,516
Total unemployment-related benefits cancelled^{1,2}					
Total	172,636	142,519	117,805	110,489	85,236

Notes

- 1 Unemployment-related benefits comprise 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.
- 3 Due to recoding of reasons for cancelling main benefits, these figures may not reconcile with those published in previous years.
- 4 "Transferred to another benefit [or] pension" includes some transfers from main benefits to New Zealand Superannuation, including those shown previously 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.

Since 2003/2004, the proportion of unemployment-related benefits cancelled by working age clients, which were paid to people in training increased from 6% to 14%. There was a corresponding decrease in the proportion of these benefits which had been paid to other unemployed people (see table 3.7).

table 3.7 Trends in the types of unemployment-related benefit cancelled by working age clients

Type of unemployment-related benefit cancelled	Unemployment-related benefits cancelled by working age clients ¹				
	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number
Unemployment Benefits or Unemployment Benefits – Hardship paid to unemployed people	137,976	111,441	90,822	83,991	61,240
Unemployment Benefits or Unemployment Benefits – Hardship paid to people in training	9,823	9,430	8,845	11,227	11,639
Unemployment Benefit – Hardship paid to students	18,956	15,387	12,895	10,971	8,874
Independent Youth Benefit	919	811	753	638	967
Total	167,674	137,069	113,315	106,827	82,720

Note

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

Trends in expenditure on unemployment-related benefits and Emergency Benefits¹

Since 1995/1996, annual expenditure on unemployment-related benefits and Emergency Benefits has first peaked, then declined over the last eight years (see table 3.8). This pattern reflects changing use of these benefits associated with both changes in economic conditions and the impact of recent Ministry of Social Development (MSD) initiatives aimed at moving benefit recipients into work.

table 3.8 Trends in annual expenditure on unemployment-related benefits and Emergency Benefits¹

Year ended June	Expenditure on unemployment-related benefits and Emergency Benefits ^{2,3,4} (\$m)
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
2005/2006	819
2006/2007	703
2007/2008	532

Notes

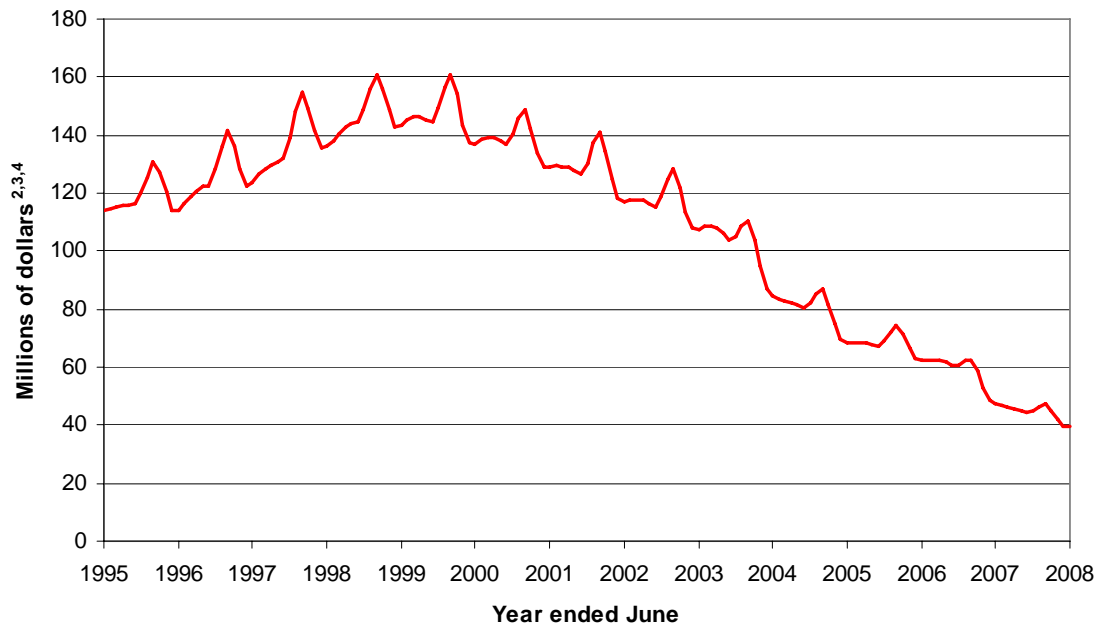
- 1 Unemployment-related benefits comprise Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to people in training, and Independent Youth Benefits. Emergency Benefits comprise Emergency Benefits paid to unemployed people or trainees since 1 October 1998 and Emergency 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.

¹ To maintain a consistent expenditure series since 1995/1996, table 3.8 and figure 3.3 include expenditure on Emergency Unemployment Benefits that were available until 1 October 1998 and expenditure on Emergency Benefits paid thereafter.

Monthly expenditure on unemployment-related benefits and Emergency Benefits shows strong seasonal increases over the summer months and weaker seasonal increases during winter (see figure 3.3). These 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.

figure 3.3 Trends in monthly expenditure on unemployment-related benefits and Emergency Benefits¹



Notes

- 1 Unemployment-related benefits comprise Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people or to trainees, and Independent Youth Benefits. Emergency Benefits comprise 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 8.2 (see Section 8) shows trends since 1940 in expenditure on unemployment-related benefits and Emergency Benefits, including expenditure on supplementary benefits paid to people receiving one of these main benefits.²

Carer’s benefits

This group of main benefits includes Domestic Purposes Benefits – Sole Parent, 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 don’t meet the eligibility criteria for a Domestic

² From 1996, expenditure data shown in table 8.2 reflects deductions for debts established, and for clients receiving these benefits as well as an overseas pension. The data in table 3.8 and figure 3.3 doesn’t reflect these deductions.

Purposes Benefit – Sole Parent but who are alone, caring for children and unable to support themselves without financial assistance.

Eligibility for carer's benefits

Domestic Purposes Benefit

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

Between 1 April 1997 and 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.

Between 1 February 1999 and 10 March 2003, clients receiving a Domestic Purposes Benefit – Sole Parent 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 Parent 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 Parent

A Domestic Purposes Benefit – Sole Parent is available to the parent of a dependent child aged under 18 years who lives with them when that parent:

- is single, and not living with the other parent or with another partner, or
- has lost the support of the other parent (eg the other parent is in prison or rehabilitation).

To be eligible for a Domestic Purposes Benefit – Sole Parent, clients must meet residency and income qualifications and either:

- be aged 18 years or over, or
- be aged 16 or 17 years and have been legally married or in a civil union.

Applicants for a Domestic Purpose Benefit – Sole Parent are, with some exceptions, required to:

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

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

Child Support paid by the liable parent, up to the level of the Domestic Purposes Benefit – Sole Parent, is retained by the Crown to offset the cost of the benefit. Please refer to Inland Revenue publications for information on the collection of Child Support.

Domestic Purposes Benefit – Care of Sick or Infirm

A Domestic Purposes Benefit – Care of Sick or Infirm is available to people who are aged over 16 years and are caring on a full-time basis for someone (other than a partner) who is in their home and who would otherwise be receiving:

- hospital care,
- rest home care
- residential disability care
- extended care services provided for severely disabled children and young people, or
- care of an equivalent kind.

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 don't meet the eligibility criteria for a Domestic Purposes Benefit – Sole Parent 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. Around a third of 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 decreased between 2004 and 2007, before rising slightly in 2008 (see table 3.9). Since 2003, almost all of the working age recipients of these benefits have been receiving a Domestic Purposes Benefit – Sole Parent. Recent decreases in the number of working age carer's benefit recipients largely reflect decreases in numbers receiving a Domestic Purposes Benefit – Sole Parent. Growth over the last year in numbers receiving Domestic Purposes Benefit - Care of Sick or Infirm reflects, at least in part, the impact of a Work and Income campaign aimed at ensuring that clients are receiving their full and correct entitlements.

table 3.9 Trends in the types of carer's benefit received

Type of carer's benefit received at the end of June	2004	2005	2006	2007	2008
	Number	Number	Number	Number	Number
Working age clients receiving a carer's benefit^{1,2}					
Domestic Purposes Benefit – Sole Parent	101,579	97,882	93,348	87,601	86,695
Domestic Purposes Benefit – Care of Sick or Infirm	3,538	3,775	4,131	4,485	5,246
Domestic Purposes Benefit – Women Alone	3,031	3,043	2,897	2,838	2,842
Emergency Maintenance Allowance	745	947	1,265	1,543	1,657
Total received by working age clients	108,893	105,647	101,641	96,467	96,440
Other clients receiving a carer's benefit^{1,2}					
Total received by other clients	633	683	690	644	717
All clients receiving a carer's benefit^{1,2}					
Total	109,526	106,330	102,331	97,111	97,157

Notes

- 1 Carer's benefits comprise Domestic Purposes Benefits – Sole Parent, 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.

Since 2004, almost all working age recipients of Domestic Purposes Benefits – Sole Parent or Emergency Maintenance Allowances had at least one dependent child aged under 14 years, including around 48% who were caring for at least one child aged under five years (see table 3.10).

table 3.10 Trends in the age of the youngest child dependent on working age recipients of Domestic Purposes Benefits – Sole Parent or Emergency Maintenance Allowances

Age of youngest dependent child at the end of June	Working age clients receiving a Domestic Purposes Benefit – Sole Parent or an Emergency Maintenance Allowance ¹				
	2004	2005	2006	2007	2008
	Number	Number	Number	Number	Number
0–4 years	48,336	46,362	44,263	42,530	43,147
5–9 years	29,218	28,041	26,514	24,296	23,283
10–13 years	15,870	15,248	14,438	13,273	12,934
14–17 years	8,606	8,902	9,077	8,710	8,615
18–19 years	218	195	240	260	232
Not caring for children ²	76	81	81	75	141
Total	102,324	98,829	94,613	89,144	88,352

Notes

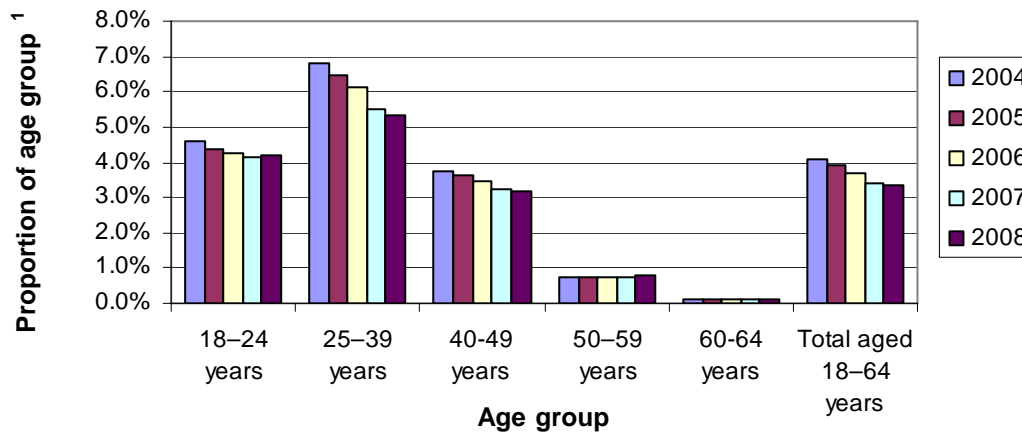
- 1 Numbers of working age clients recorded in SWIFTT as receiving a Domestic Purposes Benefit – Sole Parent or an Emergency Maintenance Allowance at the end of June.
- 2 Clients may continue to receive a Domestic Purposes Benefit – Sole Parent or an Emergency Maintenance Allowance for a short period after the child in respect of whom the benefit was paid has left their care. In addition, clients may be paid a Domestic Purposes Benefit – Sole Parent or an Emergency Maintenance Allowance at a reduced rate while the custody and care circumstances of the children involved are clarified.

Table 8.1 (see Section 8) shows trends since 1973 in the number of clients receiving carer's benefits.

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

The proportion of all working age people in the New Zealand population receiving a Domestic Purposes Benefit – Sole Parent or an Emergency Maintenance Allowance at the end of June each year has decreased over the last four years. Since 2004, 25–39 year olds and 18–24 year olds have been more likely than older working age people to be receiving one of these benefits (see figure 3.4). This reflects, in part, patterns in the ages of women having children and in the ages of people when relationship breakdown occurs. Since 2004, people aged between 18 and 49 years have become less likely to be receiving a Domestic Purposes Benefit – Sole Parent or an Emergency Maintenance Allowance, while the likelihood of older people receiving these benefits has shown little change (see figure 3.4).

figure 3.4 Trends in the proportion of working age people receiving a Domestic Purposes Benefit – Sole Parent or an Emergency Maintenance Allowance, by age



Note

1 Proportion shows:

- a number of people in age group recorded in SWIFTT as receiving a Domestic Purposes Benefit – Sole Parent or an Emergency Maintenance Allowance at the end of June, divided by
- b 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 2004, very small numbers (0.2% or less) of working age 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

The number of carer’s benefits granted has increased in the last year after decreasing over the previous three years. Of the working age clients granted these benefits since 2003/2004 (see table 3.11):

- around 32% had not received a main benefit for at least two years
- between 27% and 30% had transferred between benefits or districts.

table 3.11 Trends in the length of periods since clients granted carer’s benefits last received any main benefit

Period since client last received any main benefit	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number
Carer’s benefits granted to working age clients^{1,2}					
None (clients transferring between benefits or districts, or transferring from the same type of benefit) ^{3,4}	10,954	10,217	9,260	9,447	10,035
Under 6 months	6,738	6,783	6,402	6,559	6,748
6–12 months	3,584	3,586	3,640	3,341	3,819
12–18 months	2,115	2,008	2,169	1,917	2,340
18 months – 2 years	1,565	1,433	1,474	1,372	1,598
2–4 years	3,434	3,295	3,162	3,061	3,393
Had not received a main benefit in previous four years	8,214	7,982	8,035	7,774	8,561
Total granted to working age clients	36,604	35,304	34,142	33,471	36,494
Carer’s benefits granted to other clients^{1,2}					
Total granted to other clients	842	894	906	940	1,054
Total carer’s benefits^{1,2}					
Total	37,446	36,198	35,048	34,411	37,548

Notes

- 1 Carer’s benefits comprise Domestic Purposes Benefits – Sole Parent, 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.
- 3 Includes only a minority of transfers of benefits between districts. Most such transfers 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 Parent), 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 Parent to a Domestic Purposes Benefit – Women Alone).

The number of Domestic Purposes Benefits – Sole Parent and Emergency Maintenance Allowances granted to working age clients has increased in the last year after decreasing over the previous three years (see table 3.12). Over this period, nearly all (around 93%) of the working age clients granted these benefits had at least one dependent child aged under 14 years, including around 60% with at least one dependent child aged under five years.

table 3.12 Trends in the age of the youngest child dependent on working age clients who were granted a Domestic Purposes Benefit – Sole Parent or an Emergency Maintenance Allowance

Age of youngest dependent child when benefit granted	Domestic Purposes Benefits – Sole Parent and Emergency Maintenance Allowances granted to working age clients ¹				
	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number
0–4 years	20,192	19,158	18,555	18,318	19,586
5–9 years	6,956	6,637	6,272	6,060	6,418
10–13 years	4,000	3,793	3,626	3,353	3,762
14–17 years	2,191	2,248	2,255	2,164	2,402
18 years	13	17	24	15	13
19 years or over	1	0	0	0	0
Unspecified	0	0	14	0	0
Not applicable (no child linked to the benefit) ²	64	61	59	65	82
Total	33,417	31,914	30,805	29,975	32,263

Notes

- Numbers of successful applications from working age clients for Domestic Purposes Benefit – Sole Parent or Emergency Maintenance Allowances recorded in SWIFTT during years ended June.
- 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 decreased in the last year, after fluctuating in the previous two years. Reasons for clients cancelling carer's benefits have shown little change between 2006/2007 and 2007/2008 (see table 3.13). Between 2003/2004 and 2006/2007, however, the proportion of working age clients cancelling carer's benefits who:

- entered paid work has increased (from 32% to 41%)
- cancelled their benefits for reasons other than entering paid work or transferring to another benefit, pension or district decreased slightly (from 49% to 45%) (The most common "Other" reason for cancelling a carer's benefit was clients entering another relationship).

table 3.13 Trends in reasons for clients cancelling carer's benefits

Reason for cancellation	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number
	Carer's benefits cancelled by working age clients^{1,2}				
Obtained paid work ³	12,012	13,622	14,525	16,223	14,754
Transferred to another benefit, pension or district ^{4,5}	7,151	6,477	6,096	5,855	5,687
Other ³	18,464	18,861	18,077	17,195	16,432
Total cancelled by working age clients	37,627	38,960	38,698	39,273	36,873
Carer's benefits cancelled by other clients^{1,2}					
Total cancelled by other clients	242	304	346	370	351
Total carer's benefits cancelled^{1,2}					
Total	37,869	39,264	39,044	39,643	37,224

Notes

- 1 Carer's benefits comprise Domestic Purposes Benefits – Sole Parent, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone and Emergency Maintenance Allowances.
- 2 Numbers of cancellations of carer's benefits recorded in SWIFTT during years ended June.
- 3 Due to recoding of reasons for cancelling main benefits, these figures may not reconcile with those published in previous years.
- 4 "Transferred to another benefit [or] pension" includes some transfers from main benefits to New Zealand Superannuation, including those shown previously 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

Expenditure on carer's benefits has decreased over the last three years, following increases between 2000/2001 and 2004/2005 (see table 3.14). This decrease reflects both reduced numbers of clients receiving these benefits, and reductions in levels of assistance paid, following the shift of the child component of carer's benefits into the Working for Families Tax Credit from 1 April 2005.

Changes between 1997/1998 and 2004/2005 in annual expenditure on carer's benefits (see table 3.14) reflect a combination of changes in the numbers of clients receiving one of these benefit and adjustments in the levels of assistance paid. Between 2000/2001 and 2004/2005, the impact of increased levels of supplementary benefits outweighed that of fluctuating numbers of clients receiving carer's benefits.

table 3.14 Trends in annual expenditure on carer's benefits¹

Year ended June	Expenditure on carer's benefits ^{2,3,4} (\$m)
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
2005/2006	1,750
2006/2007	1,706
2007/2008	1,697

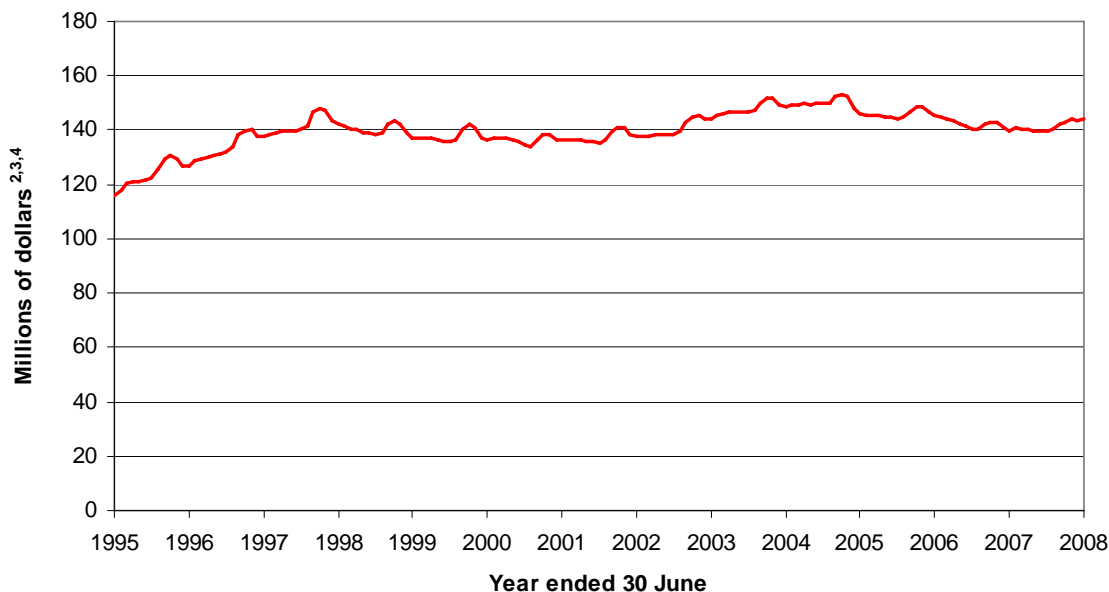
Notes

- 1 Carer's benefits comprise Domestic Purposes Benefits – Sole Parent, 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.

A downward trend in levels of monthly expenditure from 2004/2005 (see figure 3.5) reflects both the shift of the child components of carer's benefits into the Family Tax Credit from 1 April 2005, and the decrease in the number of clients receiving carer's benefits.

figure 3.5 Trends in monthly expenditure on carer's benefits¹



Notes

- 1 Carer's benefits comprise Domestic Purposes Benefits – Sole Parent, 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 8.2 (see Section 8) shows trends since 1973 in expenditure on carer's benefits, including expenditure on supplementary benefits paid to people receiving a carer's benefit.³

Sickness-related benefits

Main benefits in this group consist of Sickness Benefits and Sickness Benefits – Hardship.

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

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

Clients receiving a sickness-related benefit because of their own incapacity may be required to fulfil the demands of the Personal Development and Employment planning process.

Between October 1998 and September 2007, the spouses or partners of clients receiving a sickness-related benefit were subject to:

- a full-time work test if the couple had no dependent children, or if their youngest dependent child was aged 14 years or over
- a part-time work test if the couple's youngest dependent child was aged 6–13 years

³ From 1996, the expenditure data shown in table 8.2 reflects deductions for debts established and for clients receiving these benefits as well as an overseas pension. The data in table 3.14 and figure 3.5 doesn't reflect these deductions.

- a requirement to attend a yearly planning meeting with a Work and Income case manager if the couple's youngest dependent child was aged under six years (the aim of this interview was to plan their entry into paid work once their youngest dependent child reached the age of six years).

From September 2007, spouses and partners of recipients of a sickness-related benefit were subject to:

- a full-time work test if they had no dependent children, or if their youngest dependent child was aged 18 or over (unless that child was aged 18 years and engaged in full-time education or training)
- a part-time work test if their youngest child was aged 6–17 years, or was aged 18 years and engaged in full-time education or training.

These partners or spouses don't have work test requirements if the couple's youngest dependent child is aged under six years. However, these partners or spouses are obliged to engage with the Personal Development and Employment planning process if required.

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

Several changes to the administration of sickness-related benefits were introduced from September 2007, aimed at ensuring that clients were receiving a benefit most appropriate to their needs. These changes included:

- a requirement for more detailed medical information on medical certificates
- allowing case managers to make the decision about whether clients should receive a sickness-related benefit, Invalid's Benefit or other assistance based on medical information provided, discussion with the client, and where required, advice from Regional Health Advisors and/or Regional Disability Advisors.

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, married or in a civil union, and supporting 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 don't meet the residency criteria for a Sickness Benefit but who are suffering hardship because of illness or injury may be granted a Sickness Benefit – Hardship. Sixteen or 17 year olds who are unable to support themselves because of pregnancy, or who are attending an approved rehabilitation programme, 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.

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

The number of people receiving a sickness-related benefit has reduced slightly over the year ended June 2008 (see table 3.15), reflecting the impact of operational changes outlined above. Of the working age clients receiving these benefits over this period:

- around 36% were aged 40–54 years, while around 29% were aged 25–39 years (see table 3.15)
- virtually all were receiving a Sickness Benefit (see table 3.16)
- between 37% and 40% had systemic disorders, while the proportion with a psychological or psychiatric condition increased from 35% to 39% (see table 3.17)
- between 66% and 70% had received their current benefit for less than two years (see table 3.18).

table 3.15 Trends in the ages of clients receiving a sickness-related benefit

Age of client at the end of June	2004 Number	2005 Number	2006 Number	2007 Number	2008 Number
Working age clients receiving a sickness-related benefit^{1,2}					
18–19 years	1,454	1,570	1,852	1,838	2,054
20–24 years	4,032	4,135	4,678	4,925	5,224
25–29 years	4,009	3,860	4,128	4,347	4,249
30–34 years	4,540	4,451	4,518	4,380	4,172
35–39 years	4,652	4,883	5,023	5,108	4,972
40–44 years	5,284	5,327	5,467	5,400	5,192
45–49 years	5,249	5,362	5,673	5,854	5,695
50–54 years	5,552	5,583	5,592	5,744	5,212
55–59 years	5,683	6,099	5,897	5,662	4,979
60–64 years	3,243	3,906	4,244	4,805	4,522
Total working age clients	43,698	45,176	47,072	48,063	46,271
Other clients receiving a sickness-related benefit^{1,2}					
Total other clients	430	470	487	524	439
All clients receiving a sickness-related benefit^{1,2}					
Total	44,128	45,646	47,559	48,587	46,710

Notes

1 Sickness-related benefits comprise 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 3.16 Trends in the types of sickness-related benefit received by working age clients

Type of sickness-related benefit received at the end of June	Working age clients receiving a sickness-related benefit ¹				
	2004 Number	2005 Number	2006 Number	2007 Number	2008 Number
Sickness Benefit	42,651	44,416	46,294	47,356	45,586
Sickness Benefit – Hardship	1,047	760	778	707	685
Total	43,698	45,176	47,072	48,063	46,271

Note

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

table 3.17 Trends in the incapacities of working age clients receiving a sickness-related benefit

Client incapacity at the end of June	Working age clients receiving a sickness-related benefit ^{1,2}				
	2004 Number	2005 Number	2006 Number	2007 Number	2008 Number
Accident, trauma, entry of foreign bodies	5,681	5,348	4,862	4,790	3,313
Disease ³	270	316	339	349	649
Cancer	754	857	808	819	647
Congenital conditions	137	134	169	148	186
Intellectual disability	211	204	167	158	113
Pregnancy related	1,474	1,304	1,481	1,477	1,428
Psychological or psychiatric conditions	15,138	15,784	16,630	17,274	18,036
Sensory disorders	432	476	488	529	542
Substance abuse	2,410	2,473	3,221	3,479	3,842
Systemic disorders ⁴	17,164	18,249	18,870	19,012	17,242
Unspecified/ill-defined conditions ⁵	27	31	37	28	273
Total	43,698	45,176	47,072	48,063	46,271

Notes

1 Sickness-related benefits comprise Sickness Benefits and Sickness Benefits – Hardship

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

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

4 Encompasses disorders of physiological systems (eg musculoskeletal systems, metabolic systems)

5 Includes uncoded incapacities and ill-defined conditions.

table 3.18 Trends in the length of current spells receiving a sickness-related benefit, for working age clients

Length of current spell to the end of June	Working age clients receiving a sickness-related benefit ^{1,2}				
	2004 Number	2005 Number	2006 Number	2007 Number	2008 Number
Under 6 months	15,158	13,986	14,554	14,928	14,678
6 months – 2 years	15,323	17,272	16,971	16,833	16,605
2–4 years	7,031	7,637	8,904	9,372	8,023
Over 4 years	6,186	6,281	6,643	6,930	6,965
Total	43,698	45,176	47,072	48,063	46,271

Notes

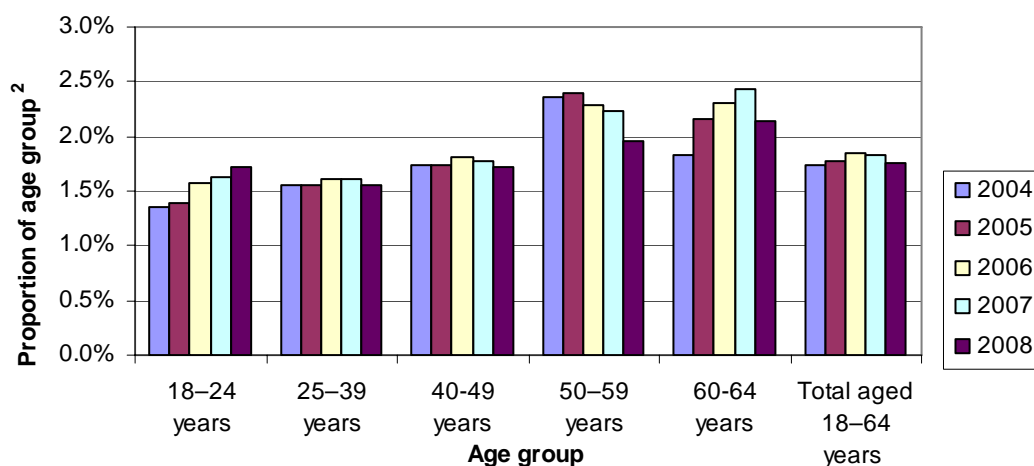
1 Sickness-related benefits comprise Sickness Benefits and Sickness Benefits – Hardship.

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

Table 8.1 (see Section 8) shows trends since 1940 in the number of people receiving a sickness-related benefit.

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

Each year since 2004, less than 2% of all working age people in the New Zealand population were receiving a sickness-related benefit at the end of June (see figure 3.6). Throughout this period, the likelihood of receiving one of these benefits has increased for 18–24 year olds, while the likelihood of those aged 40 or over receiving one has fluctuated. These changes reflect, in part, the impact of ageing on the incidence of health and disability conditions among older working age people, 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 age people receiving a sickness-related benefit,¹ by age

Notes

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

2 Proportion shows:

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

Trends in sickness-related benefits granted

The number of sickness-related benefits granted has increased slightly over the last two years, after remaining relatively stable for the previous three years (see table 3.19). Thirty percent of the working age clients granted these benefits in 2007/2008 had not received a main benefit in the previous four years, compared with 23% in 2003/2004. A decreasing proportion of these clients have transferred from another benefit or district (22% in 2006/2007, compared with 36% in 2003/2004).

table 3.19 Trends in the length of periods since clients granted a sickness-related benefit last received any main benefit

Period since client last received any main benefit	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number
Sickness-related benefits granted to working age clients^{1,2}					
None (clients transferring between benefits or districts, or transferring from the same type of benefit) ^{3,4}	17,236	14,420	12,513	12,629	10,791
Under 6 months	7,804	8,268	8,698	8,938	9,687
6-12 months	4,317	4,820	4,763	4,763	5,196
12-18 months	2,241	2,583	2,764	2,523	2,810
18 months – 2 years	1,596	1,721	1,876	1,823	1,935
2-4 years	3,592	3,783	4,319	4,406	4,440
Had not received a main benefit in previous four years	10,877	11,664	12,584	13,584	14,659
Total granted to working age clients	47,663	47,259	47,517	48,666	49,518
Sickness-related benefits granted to other clients^{1,2}					
Total granted to other clients	692	747	749	823	808
Sickness-related benefits granted to all clients^{1,2}					
Total	48,355	48,006	48,266	49,489	50,326

Notes

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

2 Numbers of successful applications for sickness-related benefits recorded in SWIFTT during years ended June.

3 Includes only a minority of transfers of benefits between districts. Most such transfers 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 a Sickness Benefit – Hardship to a Sickness Benefit).

Over this period, the proportion of these clients with a psychological or psychiatric disorder rose from 32% to 37% (see table 3.20). The proportion of these clients with systemic disorders decreased from 34% to 31% between 2006/2007 and 2007/2008.

table 3.20 Trends in the incapacities of working age clients granted a sickness-related benefit

Client incapacity when benefit granted	Sickness-related benefits granted to working age clients ^{1,2}				
	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number
Accident, trauma, entry of foreign bodies	6,369	6,304	5,812	5,563	5,407
Diseases ³	593	646	606	607	710
Cancer	1,017	1,140	1,064	1,080	937
Congenital conditions	235	202	202	213	211
Intellectual disability	121	116	137	136	64
Pregnancy related	4,942	4,558	4,598	4,525	4,484
Psychological or psychiatric conditions	15,076	15,416	16,011	16,834	18,227
Sensory disorders	475	505	454	444	460
Substance abuse	2,442	2,271	2,540	2,666	3,178
Systemic disorders ⁴	16,179	15,679	15,742	16,308	15,418
Unspecified/ill-defined conditions ⁵	214	422	351	290	422
Total	47,663	47,259	47,517	48,666	49,518

Notes

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

Trends in cancellations of sickness-related benefits

The number of sickness benefits cancelled has increased over the last two years (see table 3.21). Since 2003/2004, the proportion of working age clients cancelling these benefits who transferred to another benefit, pension or district has decreased (from 47% to 39%). Over the same period, between 39% and 44% of these cancelled benefits were done so for reasons other than transfers or entry to paid work. The main "other" reasons for cancellations of sickness benefits were loss of medical coverage (including recovery from their illness or incapacity) and transition into full-time study.

table 3.21 Trends in reasons for clients cancelling sickness-related benefits

Reason for cancellation	Sickness-related benefits cancelled by working age clients ^{1,2}				
	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number
Obtained paid work ³	6,192	7,450	7,267	8,619	9,437
Transferred to another benefit, pension or district ^{4,5}	19,862	19,441	18,647	17,846	20,152
Other ³	16,554	18,328	18,828	20,789	21,618
Total cancelled by working age clients	42,608	45,219	44,742	47,254	51,207
	Sickness-related benefits cancelled by other clients ^{1,2}				
Total cancelled by other clients	651	868	875	983	1,139
	Total sickness-related benefits cancelled ²				
Total	43,259	46,087	45,617	48,237	52,346

Notes

- 1 Sickness-related benefits comprise Sickness Benefits and Sickness Benefits – Hardship.
- 2 Numbers of cancellations of sickness-related benefits recorded in SWIFTT during years ended June.
- 3 Due to recoding of reasons for cancelling main benefits, these figures may not reconcile with those published in previous years.
- 4 "Transferred to another benefit [or] pension" includes some transfers from main benefits to New Zealand Superannuation, including those shown previously 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 3.22) reflect

- increases in the numbers of people receiving these benefits
- cost of living adjustments, and
- increased expenditure on Accommodation Supplements and on third-tier assistance paid to people receiving Sickness benefits.

The decrease in expenditure on these benefits between 1998/1999 and 2000/2001 reflects a combination of:

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

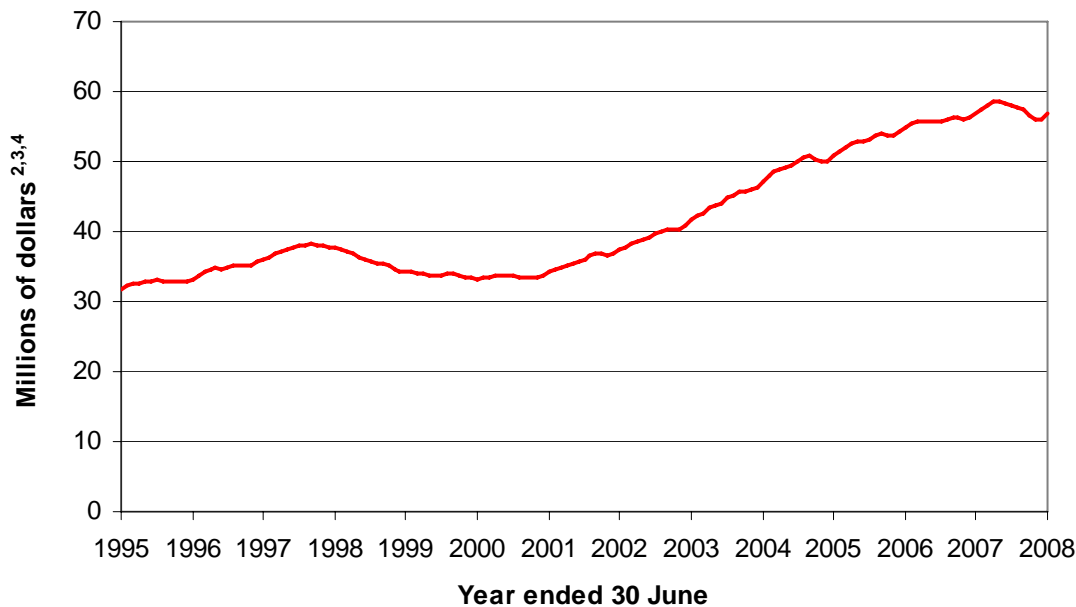
table 3.22 Trends in annual expenditure on sickness-related benefits¹

Year ended June	Expenditure on sickness-related benefits ^{2,3,4} (\$m)
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
2005/2006	639
2006/2007	671
2007/2008	689

Notes

- 1 Sickness-related benefits comprise Sickness Benefits and Sickness Benefits – Hardship. Between 1 October 1998 and 30 June 2001, a Sickness Benefit was known as a Community Wage – Sickness. 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.
- 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 3.7 Trends in monthly expenditure on sickness-related benefits¹**Notes**

- 1 Sickness-related benefits comprise 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 8.2 (see Section 8) shows trends since 1940 in expenditure on sickness-related benefits, including expenditure on supplementary benefits paid to people receiving a sickness-related benefit.⁴

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 can't 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.

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

⁴ From 1996, the expenditure data shown in table 8.2 reflects deductions for debts established and for clients receiving these benefits as well as overseas pensions. The data in table 3.22 and figure 3.7 doesn't reflect these deductions.

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

Between October 1998 and September 2007, the partners and spouses of people receiving an Invalid's Benefit were subject to:

- a full-time work test if the couple had no dependent children or if their youngest dependent child was aged 14 years or over
- a part-time work test if the couple's youngest dependent child was 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 was aged under six years (the aim of this interview was to plan their entry into paid work once their youngest dependent child turned six years of age).

Over this period, partners and spouses of people receiving an Invalid's Benefit could be exempted from the work test on a range of grounds, including health issues and caring responsibilities.

From 1 July 2004, the rules surrounding eligibility for an Invalid's Benefit were modified, in order to support 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 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 a benefit (like all other benefit recipients, these clients may, however, be subject to a stand-down period if they have high earnings from their employment).

From September 2007, spouses and partners of recipients of an Invalid's Benefit were subject to:

- a full-time work test if they had no dependent children, or if their youngest dependent child was aged 18 or over (unless that child was aged 18 years and engaged in full-time education or training)
- a part-time work test if their youngest child was aged 6–17 years, or was aged 18 years and engaged in full-time education or training.

Partners or spouses don't have work test requirements if the couple's youngest dependent child is aged under six years. However, these partners or spouses are obliged to engage with the Personal Development and Employment planning process if required.

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

Several changes to the administration of Invalid's Benefits were introduced during the last year. Residency requirements for an Invalid's Benefit were reduced from July 2007. From September 2007, further changes were introduced which were aimed at ensuring that clients were receiving a benefit most appropriate to their needs. These changes included:

- a requirement for more medical information on medical certificates

- allowing case managers to make the decision about whether clients should receive a sickness-related benefit, Invalid's Benefit or other assistance. These changes are to be based on medical information provided, discussion with the client, and other relevant assessments.

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

Increases since 2004 in the number of clients receiving an Invalid's Benefit have accelerated in the last year (see table 3.23). This acceleration reflects the changes in administration of sickness-related benefits and Invalid's Benefits from September 2007 outlined immediately above, which have led to a temporary acceleration in growth in Invalid's Benefit numbers. The persistent slow increases in numbers receiving Invalid's Benefits (which arise from the long-term nature of the conditions that result in people being granted these benefits) continued over the last year.

Of the working age Invalid's Benefits recipients since 2004:

- around 37% were aged between 40–54 years, while between 32% and 35% were aged between 55–64 years (see table 3.23)
- around 39% had a systemic disorder, while around 27% had a psychological or psychiatric condition and around 14% had an intellectual disability (see table 3.24).

table 3.23 Trends in the ages of clients receiving an Invalid's Benefit

Age of client at the end of June	2004	2005	2006	2007	2008
	Number	Number	Number	Number	Number
Working age clients receiving an Invalid's Benefit¹					
18–19 years	1,367	1,480	1,566	1,643	1,756
20–24 years	3,710	3,793	3,890	3,949	4,192
25–29 years	4,025	4,076	4,047	4,119	4,319
30–34 years	5,670	5,585	5,376	5,206	5,210
35–39 years	6,957	6,939	7,123	7,160	7,414
40–44 years	8,417	8,687	8,829	8,726	9,024
45–49 years	8,559	9,070	9,522	9,985	10,855
50–54 years	9,345	9,794	10,160	10,599	11,427
55–59 years	10,835	11,366	11,948	12,253	12,979
60–64 years	11,922	12,396	12,888	13,661	15,703
Total working age clients	70,807	73,186	75,349	77,301	82,879
Other clients receiving an Invalid's Benefit¹					
Total other clients	1,535	1,610	1,697	1,776	2,318
Other clients receiving an Invalid's Benefit¹					
Total	72,342	74,796	77,046	79,077	85,197

Note

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

table 3.24 Trends in the incapacities of working age clients receiving an Invalid's Benefit

Client incapacity at the end of June	Working age clients receiving an Invalid's Benefit ¹				
	2004	2005	2006	2007	2008
	Number	Number	Number	Number	Number
Accident, trauma, entry of foreign bodies	4,931	5,048	5,177	5,262	4,932
Disease ²	407	442	486	520	635
Cancer	2,006	2,088	2,218	2,212	2,340
Congenital conditions	2,582	2,710	2,882	2,999	3,297
Intellectual disability	10,826	10,914	10,982	11,005	11,028
Psychological or psychiatric conditions	18,879	19,773	20,480	21,354	23,294
Sensory disorders	2,062	2,042	2,043	2,090	2,267
Substance abuse	1,036	1,095	1,162	1,278	1,577
Systemic disorders ³	27,911	28,750	29,479	29,990	32,704
Unspecified/ill-defined conditions ⁴	167	324	440	591	805
Total	70,807	73,186	75,349	77,301	82,879

Notes

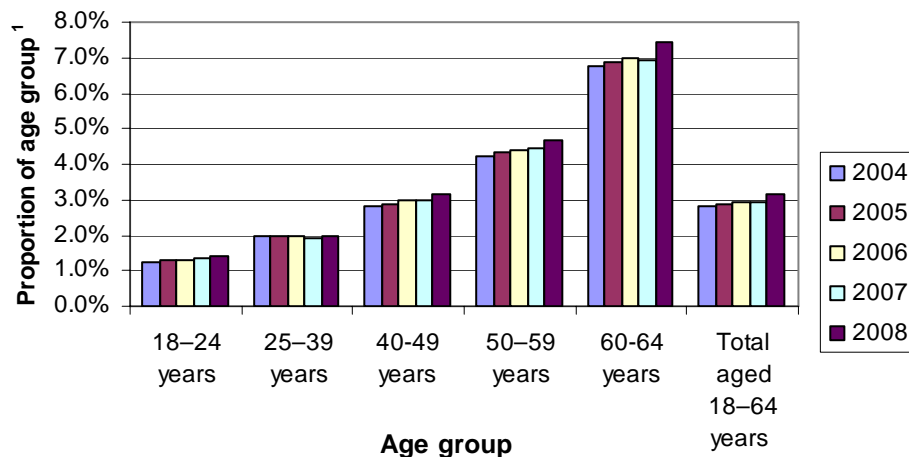
- 1 Numbers of working age clients recorded in SWIFTT as receiving an Invalid's Benefit at the end of June.
- 2 Encompasses circulatory system diseases, infectious diseases and parasitic diseases.
- 3 Encompasses disorders of physiological systems (eg musculoskeletal systems, metabolic systems).
- 4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

Table 8.1 (see Section 8) shows trends since 1940 in the number of clients receiving an Invalid's Benefit.

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

Each year since 2004, around 3% of all working age people in the New Zealand population were receiving an Invalid's Benefit at the end of June (see figure 3.8). This relatively constant proportion over a period of population growth reflects the long-term nature of the conditions that result in clients being granted these benefits. Throughout this period, the likelihood of working age people receiving these benefits has increased with age. This reflects the impact of ageing on the incidence of permanent and severe health or disability conditions experienced by people receiving these benefits.

figure 3.8 Trends in the proportion of working age 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 increased in the last year after fluctuating for the previous three years (see table 3.25). This increase reflects, in part, the impact of operational changes introduced in September 2007, which resulted in increased transfers from sickness-related benefits to Invalid's Benefits. Since 2004/2005, around 70% of the working age clients granted these benefits had transferred from another benefit or district.

table 3.25 Trends in the length of periods since clients granted an Invalid's Benefit last received any main benefit

Period since client last received any main benefit	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number
Invalid's Benefits granted to working age clients¹					
None (clients transferring between benefits or districts) ²	8,139	7,665	7,626	7,653	10,491
Under 6 months	657	762	758	813	966
6–12 months	264	278	316	279	401
12–18 months	114	133	125	142	216
18 months – 2 years	85	98	74	92	130
2–4 years	239	233	220	225	322
Had not received a main benefit in previous four years	1,546	1,729	1,722	1,870	2,481
Total granted to working age clients	11,044	10,898	10,841	11,074	15,007
Invalid's Benefits granted to other clients¹					
Total granted to other clients	789	806	846	884	1,344
Total Invalid's Benefits granted¹					
Total	11,833	11,704	11,687	11,958	16,351

Note

- 1 Numbers of successful Invalid's Benefit applications recorded in SWIFTT during years ended June.
- 2 Includes only a minority of transfers of benefits between districts. Most such transfers are accomplished without cancelling and re-granting benefits.

Between 2006/2007 and 2007/2008, the proportion of these clients with systemic disorders has increased slightly (from 45% to 49%). Since 2003/2004, between 23% and 27% of these clients have had psychological or psychiatric disorders (see table 3.26).

table 3.26 Trends in the incapacities of working age clients granted an Invalid's Benefit

Client incapacity when benefit granted	Invalid's Benefits granted to working age clients ¹				
	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number
Accident, trauma, entry of foreign bodies	795	796	802	814	706
Disease ²	88	95	105	97	159
Cancer	1111	1133	1,105	1,040	1,239
Congenital conditions	238	210	234	226	284
Intellectual disability	354	364	337	363	163
Psychological or psychiatric conditions	2,716	2,613	2,537	2,772	4,076
Sensory disorders	230	191	196	222	306
Substance abuse	214	202	216	239	427
Systemic disorders ³	5,221	4,982	5,063	5,001	7,300
Unspecified/ill-defined conditions ⁴	77	312	246	300	347
Total	11,044	10,898	10,841	11,074	15,007

Notes

- 1 Numbers of successful Invalid's Benefit applications from working age clients recorded in SWIFTT during years ended June.
- 2 Encompasses circulatory system diseases, infectious diseases, and parasitic diseases.
- 3 Encompasses disorders of physiological systems (eg musculoskeletal systems, metabolic systems).
- 4 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 2003/2004 (see table 3.27), reflecting increases in the numbers of people receiving these benefits. Since 2005/2006, the proportion of working age clients cancelling these benefits who entered paid work increased slightly, (from 16% to 19%) while the proportion transferring to another benefit, pension or district showed a corresponding decrease (from 32% to 29%). Over this period, around 51% cancelled their benefit for reasons other than transfers or entry to paid work. The chief "Other" reason for cancellations of these benefits is the death of the client.

table 3.27 Trends in reasons for clients cancelling Invalid's Benefits

Reason for cancellation	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number
Invalid's Benefits cancelled by working age clients¹					
Obtained paid work ²	1,089	1,328	1,315	1,576	1,650
Transferred to another benefit, pension or district ^{3,4}	2,326	2,576	2,613	2,534	2,457
Other ²	3,743	4,057	4,154	4,344	4,423
Total cancelled by working age clients	7,158	7,961	8,082	8,454	8,530
Invalid's Benefits cancelled by other clients¹					
Total cancelled by other clients	971	1,119	1,156	1,266	1,225
Total Invalid's Benefits cancelled¹					
Total	8,129	9,080	9,238	9,720	9,755

Notes

- Numbers of Invalid's Benefit cancellations by clients recorded in SWIFTT during years ended June.
- Due to recoding of reasons for cancelling main benefits, these figures may not reconcile with those published in previous years.
- "Transferred to another benefit [or] pension" includes some transfers from main benefits to New Zealand Superannuation, including those shown previously 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 1995/1996 in annual expenditure on Invalid's Benefits (see table 3.28) reflect, at least in part, increases in the number of people receiving these benefits.

table 3.28 Trends in annual expenditure on Invalid's Benefits

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

Notes

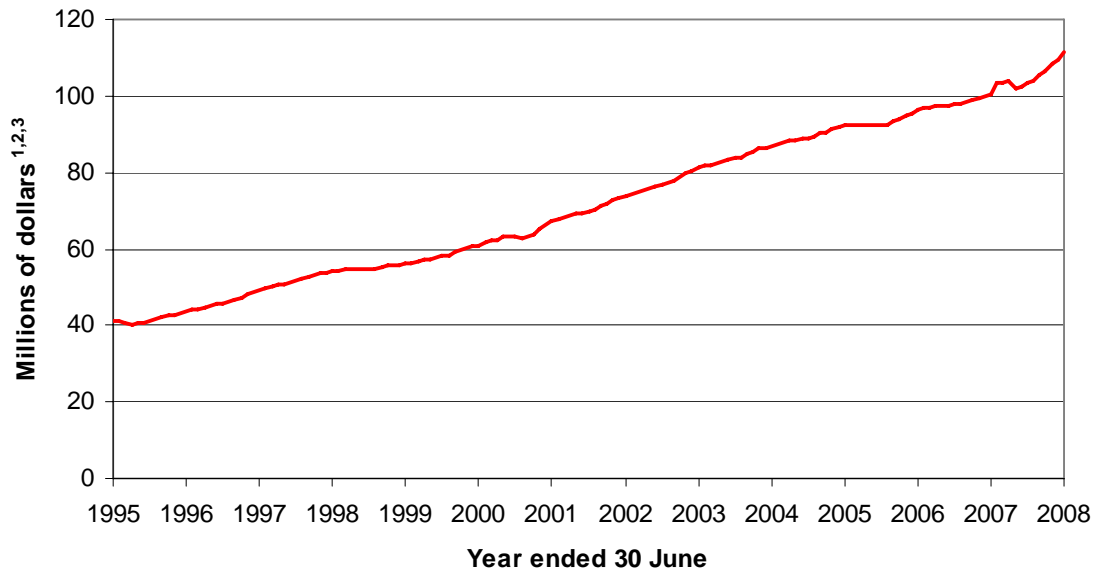
- Expenditure on Invalid's Benefits in years ended June, including expenditure on supplementary benefits provided to recipients of an Invalid's Benefit.
- Expenditure shown is net of taxation, adjusted to payment periods based on a standard 30-day month and smoothed using a three-month moving average.
- 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 this expenditure in 1995, 2001 and 2005 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 was offset later by continued growth in expenditure on the Invalid's Benefit, excluding supplementary benefits)
- adjustment of maxima for Accommodation Supplements in 2005.

The temporary spike in expenditure in mid-2007 is an administrative result of transferring Invalid's Benefits from fortnightly to weekly payments, and doesn't represent money paid to clients.

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 8.2 (see Section 8) shows trends since 1940 in expenditure on Invalid's Benefits, including expenditure on supplementary benefits paid to people receiving an Invalid's Benefit.⁵

Widow's Benefit

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

- is caring for one or more dependent children
- was married, and subsequently cared for dependent children for 15 years or more
- had one or more dependent children, and was married for a total of 15 years or more
- was married for five years or more, and became a widow after reaching 50 years of age, or
- is aged at least 50 years, was married for at least 10 years after marrying for the first time at least 15 years ago, and became a widow after reaching 40 years of age.

Between 1 February 1999 and 10 March 2003, clients 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

⁵ From 1996, expenditure data shown in table 8.2 reflects deductions for debts established and for clients receiving overseas pensions as well as these benefits. The data in figure 3.9 and table 3.28 doesn't reflect these deductions.

- 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 clients receiving a Widow's Benefit

Numbers of clients receiving Widow's Benefits have decreased since 2004 (see table 3.29). This reflects the movement of Widow's Benefit recipients onto New Zealand Superannuation, which is not balanced by the smaller numbers of women being granted the benefit. Since 2004, around 66% of the working age clients receiving these benefits had done so for over two years, although the proportion doing so for over four years decreased slightly over this period (from 48% to 44%).

table 3.29 Trends in the length of current spells receiving a Widow's Benefit

Length of current spell to the end of June	2004	2005	2006	2007	2008
	Number	Number	Number	Number	Number
	Working age clients receiving a Widow's Benefit¹				
Under 6 months	765	765	704	610	684
6 months – 2 years	1,937	1,763	1,677	1,497	1,346
2–4 years	1,579	1,538	1,440	1,338	1,214
Over 4 years	3,980	3,571	3,180	2,842	2,559
Total working age clients	8,261	7,637	7,001	6,287	5,803
	Other clients receiving a Widow's Benefit¹				
Total other clients	152	158	180	184	180
	Total clients receiving a Widow's Benefit¹				
Total	8,413	7,795	7,181	6,471	5,983

Note

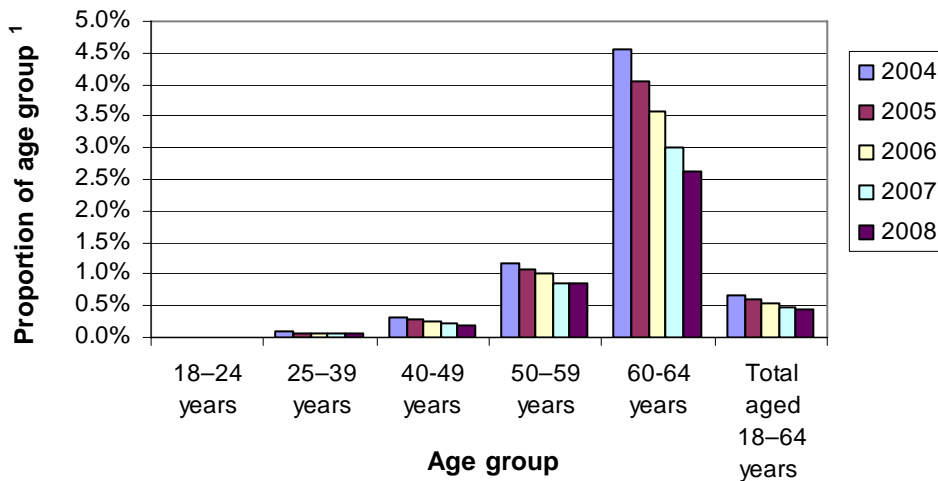
1 Numbers of clients recorded in SWIFTT as receiving a Widow's Benefit at the end of June.

Table 8.1 (see Section 8) shows trends since 1940 in the number of clients receiving a Widow's Benefit.

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

Each year since 2004, around 0.5% of all working age women in the New Zealand population have been receiving a Widow's Benefit at the end of June, with women aged 50–64 years significantly more likely than younger women to receive these benefits over this period (see figure 3.10). The preponderance of older women among recipients of Widow's Benefits largely reflects the eligibility criteria for these benefits.

figure 3.10 Trends in the proportion of working age women receiving a Widow's Benefit, by age



Note

¹ Proportion shows:

- a number of clients 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

The number of Widow's Benefits granted increased slightly in the last year after decreasing for the previous three years (see table 3.30). Over this period, between 61% and 64% of the working age clients granted these benefits had not received a main benefit in the previous four years, while around 16% had received a main benefit in the last 12 months.

table 3.30 Trends in the length of periods since clients granted a Widow's Benefit last received any main benefit

Period since client last received any main benefit	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number
Widow's Benefits granted to working age clients¹					
None (clients transferring between benefits or districts) ²	204	186	151	152	176
Under 6 months	206	208	206	182	179
6-12 months	102	127	103	80	104
12-18 months	49	54	44	52	42
18 months - 2 years	44	33	39	37	36
2-4 years	131	104	105	101	104
Had not received a main benefit in previous four years	1,245	1,241	1,132	989	982
Total granted to working age clients	1,981	1,953	1,780	1,593	1,623
Widow's Benefits granted to other clients¹					
Total granted to other clients	36	40	43	39	53
Total Widow's Benefits granted¹					
Total	2,017	1,993	1,823	1,632	1,676

Notes

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

Trends in cancellations of Widow's Benefits

The number of Widow's Benefits cancelled has decreased slightly over the last three years (see table 3.31). Since 2004/2005, around 26% of the working age clients cancelling these benefits had entered paid work, while the proportion transferring to another benefit, pension or district decreased from 50% to 45%.

table 3.31 Trends in reasons for clients cancelling Widow's Benefits

Reason for cancellation	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number
Widow's Benefits cancelled by working age clients¹					
Obtained paid work ²	512	543	526	516	490
Transferred to another benefit, pension or district ^{3,4}	952	1,084	996	906	829
Other ²	674	562	572	574	513
Total cancelled by working age clients	2,138	2,189	2,094	1,996	1,832
Widow's Benefits cancelled by other clients¹					
Total cancelled by other clients	169	410	357	353	304
Total Widow's Benefits cancelled¹					
Total	2,307	2,599	2,451	2,349	2,136

Notes

- Numbers of cancellations of Widow's Benefits recorded in SWIFTT during years ended June.
- Due to recoding of reasons for cancelling main benefits, these figures may not reconcile with those published in previous years.
- "Transferred to another benefit [or] pension" includes some transfers from main benefits to New Zealand Superannuation, including those previously shown 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

Fluctuations since 1995/1996 in the level of expenditure on Widow's Benefits (see table 3.32) reflect a combination of changes in the number of clients receiving these benefits and in the levels of assistance.

table 3.32 Trends in annual expenditure on Widow's Benefits

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

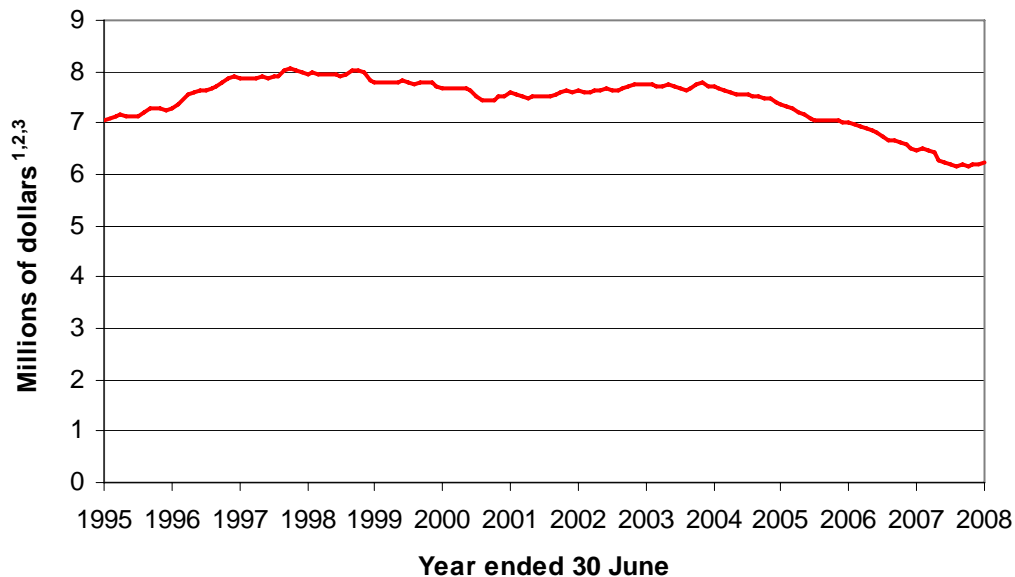
Notes

- 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.

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

Table 8.2 (see Section 8) shows trends since 1940 in expenditure on Widow's Benefits, including expenditure on supplementary benefits paid to people receiving a Widow's Benefit.⁶

Employment services

Work and Income provides access to a range of support services and training opportunities which assist 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.

⁶ In table 8.2, expenditure on Widow's Benefits from 1996 reflects deductions for debts established and for clients receiving an overseas pension as well as these benefits. These deductions are not reflected in the data in figure 3.11 and table 3.32.

Eligibility for Employment and Training Assistance

Work and Income assist a range of people to find and remain in paid work. To qualify for less intensive assistance, a client must be:

- a New Zealand citizen or permanent resident (that is, not be in New Zealand unlawfully or on a temporary permit)
- ordinarily resident in New Zealand
- within New Zealand's working-age population
- actively seeking or preparing for work.

In addition, to qualify for more intensive work assistance, a client must be:

- in receipt of some form of government financial assistance
- disadvantaged in the local labour market and at risk of long-term benefit dependency.

Where appropriate, intensive work services may be provided to clients who are not receiving a main benefit or aged under 18, but who are disadvantaged in the local labour market and at risk of long-term benefit dependency. A range of factors are taken into account in determining whether a person is disadvantaged in the local labour market and at risk of long-term benefit dependency, including:

- the barriers the person may have to taking up employment
- the length of any previous time the person has been in receipt of a benefit
- the circumstances that have contributed to the person being unemployed (eg redundancy, recent release from prison)
- the type of employment the person is seeking and local labour market conditions (what is realistic for them)
- the level of skills and qualifications possessed by the person which are relevant to local labour market opportunities
- the length of any period out of the labour market resulting in a lack of previous labour market experience.

Work services are also available to:

- people who are currently working who wish to:
 - seek another job (eg where redundancy is pending), or
 - retain the job they are in (eg where health or disability issues may otherwise threaten the person's future in the job)
- people with ill-health, and disabled people, so that they can gain paid employment.

Registered job seekers

A registered job seeker is a person:

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

Registered job seekers include:

- 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 with Work and Income as part of seeking work, to obtain assistance with finding work.

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

- Unemployment Benefits – client and partner/spouse 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 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 March 2004).

From 1 July 2001, all work-tested clients 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 job search activities and may include employment or training programmes to be undertaken by the job seeker (eg a period of work experience or employment-related training).

Clients in receipt of a Sickness, Invalids or Domestic Purposes Benefit have a Personal Development and Employment Plan (PDEP). The PDEP contains goals to assist the client to work towards social development or employment outcomes, and a set of action points that will help them achieve these goals. It could also contain work-related activities.

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 a summary of key differences between registered job seekers and the officially unemployed.

Trends in the number of registered job seekers

Decreases in the number of registered job seekers since 2004 (see table 3.33) reflect both improved economic conditions and the impact of policy and operational changes. These changes include an increased emphasis on placing job seekers into paid work.

Since 2004, the proportion of working age registered job seekers who were aged 50–64 years has risen from 16% to 21% (see table 3.33), reflecting in part strengthened obligations on this age group to register as job seekers. There has been a corresponding decrease in the proportion of these job seekers who were aged 25 - 39 years (from 38% to 32%).

Of the working age registered job seekers over this period:

- between 24% and 27% have been aged under 25 years (see table 3.33)
- an increasing proportion have been receiving no benefit or pension (38% in 2008, compared with 22% in 2004), while the proportion receiving an unemployment-related benefit has decreased (from 57% to 43%) (see table 3.34)
- between 48% and 51% had no formal educational qualifications, while around 39% had school qualifications (see table 3.35)

- the proportion who identified as ethnic groups other than New Zealand Europeans increased slightly (from 63% to 67%), while the proportion identifying with that ethnic group decreased (see table 3.37).

Between 2007 and 2008, the proportion of these job seekers who were registered for under six months increased (from 32% to 41%), while the proportion registered for between six months and two years decreased (from 37% to 30%) (see table 3.36).

table 3.33 Trends in the ages of registered job seekers

Age of client at the end of June	2004 Number	2005 Number	2006 Number	2007 Number	2008 Number
Working age registered job seekers¹					
18–19 years	9,413	7,465	7,081	5,071	4,724
20–24 years	17,680	13,943	12,371	9,119	7,578
25–29 years	13,786	10,597	9,975	7,229	5,387
30–34 years	13,168	9,727	9,018	6,675	4,561
35–39 years	12,311	9,192	8,772	6,806	4,725
40–44 years	11,710	8,914	8,248	6,490	4,637
45–49 years	9,500	7,389	7,016	5,762	4,562
50–54 years	8,061	6,175	5,730	4,764	3,681
55–59 years	7,601	5,639	5,190	4,193	3,080
60–64 years	1,130	1,828	1,619	1,981	2,708
Total working age job seekers	104,360	80,869	75,020	58,090	45,643
Other registered job seekers¹					
Total other job seekers	3,230	2,764	2,450	2,092	1,792
Total registered job seekers¹					
Total	107,590	83,633	77,470	60,182	47,435

Note

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

table 3.34 Trends in the types of pension or main benefit received by working age job seekers

Type of pension or main benefit received at the end of June	Working age registered job seekers ¹				
	2004 Number	2005 Number	2006 Number	2007 Number	2008 Number
Unemployment-related benefits ²	59,399	44,737	36,147	22,444	19,546
Carer's benefits ³	16,958	11,636	11,895	10,184	4,516
Sickness-related benefits ⁴	2,796	2,773	3,095	3,143	2,400
Invalid's Benefit	1,691	1,620	1,778	1,949	1,242
Widow's Benefit	728	449	427	416	162
Emergency Benefit	278	215	224	245	129
New Zealand Superannuation	31	67	106	131	134
Veteran's Pension	2	3	6	10	11
No pension or main benefit ⁵	22,477	19,369	21,342	19,568	17,503
Total	104,360	80,869	75,020	58,090	45,643

Notes

- Numbers of working age job seekers registered in SOLO at the end of June.
- Comprises Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to trainees, and Independent Youth Benefits.
- Comprises Domestic Purposes Benefits – Sole Parent, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone and Emergency Maintenance Allowances.
- Comprises Sickness Benefits and Sickness Benefits – Hardship.
- Includes clients receiving an Unsupported Child's Benefit or an Orphan's Benefit.

table 3.35 Trends in the level of the highest formal educational qualifications held by working age job seekers

Highest educational qualification recorded at the end of June	Working age registered job seekers ¹				
	2004 Number	2005 Number	2006 Number	2007 Number	2008 Number
No formal educational qualifications	50,418	39,812	37,058	29,176	23,114
School qualifications	41,131	31,686	29,695	22,820	17,854
Post-school qualifications	12,663	9,292	8,208	6,055	4,649
Unknown/unspecified qualifications	148	79	59	39	26
Total	104,360	80,869	75,020	58,090	45,643

Note

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

table 3.36 Trends in the length of current spells registered as a job seeker, for working age clients

Length of current spell to the end of June	Working age registered job seekers ¹				
	2004 Number	2005 Number	2006 Number	2007 Number	2008 Number
Under 6 months	40,300	32,134	28,614	18,806	18,783
6 months–2 years	35,055	29,316	27,734	21,536	13,673
2–4 years	14,981	10,278	11,054	11,236	7,571
4 years or over	14,024	9,141	7,618	6,512	5,616
Total	104,360	80,869	75,020	58,090	45,643

Note

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

table 3.37 Trends in the ethnicity of working age job seekers

Ethnicity recorded at the end of June	Working age registered job seekers ¹				
	2004 Number	2005 Number	2006 Number	2007 Number	2008 Number
Māori	37,152	29,198	27,468	20,622	16,312
Pacific peoples	10,848	9,426	9,104	7,518	5,580
Other ethnic groups	16,120	12,949	11,254	9,460	7,545
New Zealand Europeans	38,615	27,956	25,753	19,180	14,954
Not specified	1,625	1,340	1,441	1,310	1,252
Total	104,360	80,869	75,020	58,090	45,643

Note

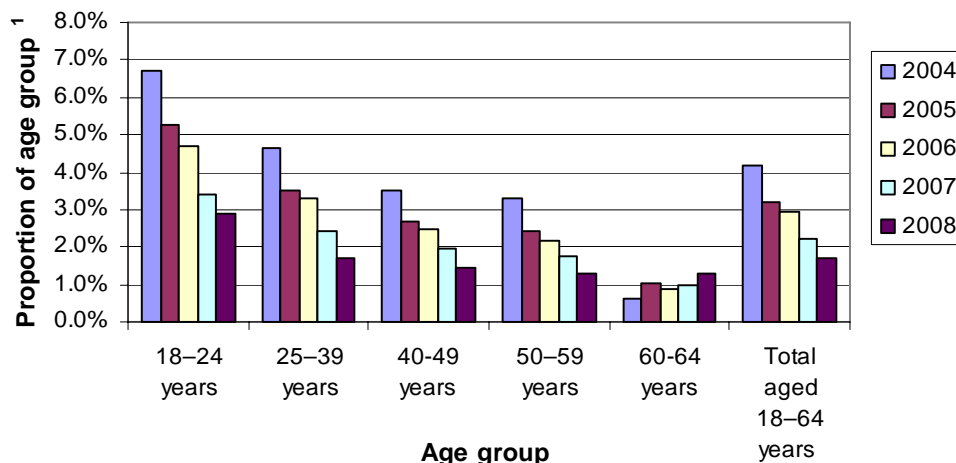
¹ Numbers of working age job seekers registered in SOLO at the end of June.

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

Decreases since 2004 in the proportion of all working age people in the New Zealand population who were registered as job seekers at the end of June each year (see figure 3.12) reflect reductions 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 likelihood of working age people being registered as job seekers has decreased with increasing 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 historic exemption of 60–64 year olds receiving main benefits from the requirement to register as a job seeker.

figure 3.12 Trends in the proportion of working age people registered as job seekers, by age



Note

¹ Proportion shows:

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

Trends in new registrations of job seekers

Decreases since 2003/2004 in the number of job seeker registrations (see table 3.38) reflect both improved economic conditions and the impact of operational changes in the ways that Work and Income has assisted job seekers to retain paid work. Forty-one percent of the working age job seekers registered in 2007/2008 had been registered in the previous 12 months, compared with 51% in 2003/2004. Since 2004/2005, there has been a slight increase in the proportion of working age clients registering as job seekers who had done so for the first time (20% in 2007/2008, compared with 17% in 2004/2005).

table 3.38 Trends in the length of periods since newly registered job seekers were last enrolled as a job seeker

Period since client was last enrolled as a job seeker	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number
New registrations of working age job seekers¹					
Under 6 months	73,892	56,118	40,792	31,787	24,536
6–12 months	26,495	22,320	17,317	13,044	11,286
12–18 months	13,205	11,002	9,892	6,748	5,693
18 months–2 years	9,814	8,027	7,759	5,564	4,384
2–4 years	20,609	16,895	16,418	13,896	10,784
At least four years	15,296	14,022	14,636	13,657	12,708
Had never previously registered	36,534	26,554	24,322	20,089	17,098
Total registrations by working age job seekers	195,845	154,938	131,136	104,785	86,489
New registrations of other job seekers¹					
Total registrations by other job seekers	10,791	7,829	6,466	5,497	4,450
Total registrations of job seekers¹					
Total	206,636	162,767	137,602	110,282	90,939

Note

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

Trends in numbers of de-registrations of job seekers

The number of de-registrations of job seekers has decreased since 2003/2004 (see table 3.39), reflecting decreases in numbers of registered job seekers. Since 2006/2007, the proportion of de-registered working age job seekers who were leaving the labour market has increased from 35% to 42%, while the proportion entering paid work has decreased from 36% to 30%. Clients may leave the labour market for a number of reasons (eg entering full-time study or leaving New Zealand).

table 3.39 Trends in the reasons for de-registrations of job seekers

Reason for de-registration	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number
De-registrations of working age job seekers¹					
Entered paid work	93,509	69,209	54,772	44,464	30,379
Entered employment-related training	12,502	9,322	9,554	6,822	7,246
Left labour market	80,442	73,029	48,055	43,592	41,785
Lost contact	49,330	29,029	26,474	28,496	20,700
Other	85	0	0	0	0
Total de-registrations by working age job seekers	235,868	180,589	138,855	123,374	100,110
De-registrations of other job seekers¹					
Total de-registrations by other job seekers	8,706	6,267	5,007	4,315	3,511
Total de-registrations of job seekers¹					
Total	244,574	186,856	143,862	127,689	103,621

Note

1 Numbers of de-registrations of job seekers recorded in SOLO during years ended June.

Job Search Service

During the year ended June 2006, the Job Search Service was progressively rolled out across all Work and Income sites. The service is a 13-week programme that assists clients to develop their job search capability and improve their likelihood of finding and retaining paid work.

The programme includes assistance with local market information, job search activities and access to other services.

How the Job Search Service works

The Job Search Service has several components and offers clients modules that are likely to address needs identified at their first assessment. Clients in the programme are reassessed regularly, to ensure that the programme is continuing to meet their needs.

Different modules provide clients with details of:

- local job opportunities, and how Work and Income can assist them to gain and retain employment
- the benefit application process if they have not already applied
- their obligations, and what is expected of them while they receive a benefit.

Clients applying for a non-work-tested benefit are also encouraged to attend. The Job Search Service is not mandatory for all clients, but may be assigned as a pre-benefit obligation.

Clients who proceed with an application for the Unemployment Benefit participate in a planning and assessment process leading to a service plan agreement. This agreement sets out the actions that the clients will take to obtain work or become work ready. Clients are required to undertake these activities based on their individual circumstances.

Clients may be supported in their job search activity through phone contact with Work and Income staff, through seminar attendance or through additional assistance with:

- general job skills or work readiness training
- training in skills relevant to a specific occupation, or
- their attitude and motivation.

Job Search Service clients are reassessed after six weeks, and again after 12 weeks. After week 12, clients either continue in the Job Search Service (with a level of support

appropriate to the needs identified in the reassessment), or transfer to one-on-one case management.

Case management initiatives targeted to job seekers

During the 2003/2004 financial year, a number of initiatives were introduced that changed the way Work and Income case managers deal with registered job seekers. During the 2005/2006 year, these initiatives were superseded by the nationwide phased introduction of the Job Search Service.

These initiatives aimed to help a number of groups of Work and Income clients, including:

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

For further information on these initiatives, see *The Statistical Report* for the year ended June 2006.

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:

- Transition to Work Grants, which replaced Work Start Grants and Pathways Payments from April 2007
- New Employment Transition Grants
- Seasonal Work Assistance.

Eligibility for Transition to Work assistance

Transition to Work Grants

From April 2007, Transition to Work Grants have been available to help meet the additional costs of entering into employment for:

- clients receiving a main benefit
- students
- other people who meet the qualifying criteria and who face small gaps between jobs (up to four weeks), or who are re-entering the workforce.

As well as meeting essential costs from job search or entering employment, Transition to Work Grants may be available to assist with specific transition to work costs related to relocation and safety equipment, and to assist with covering living costs between the last benefit payment and the first pay from a new job. A maximum of \$1,500 in Transition to Work Grants is available in any 52-week period.

To receive a Transition to Work Grant, clients are required to:

- be aged 18 years of age or over, or to be aged under 18 and have exceptional circumstances including:
 - a school early leaving exemption
 - one or more dependent children
 - being married, living as married, or living in a civil union
 - being reliant on government financial assistance, or
 - being in extreme hardship
- meet income, asset and residency tests
- be seeking paid work for a position of 30 hours or more per week
- have a verified job interview for a position involving at least 30 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 Transition to Work Grant.

Clients generally can't receive the Transition to Work Grant if they are entering into self-employment. Clients aged under 18 years who are not receiving an Independent Youth Benefit and who are dependent children are subject to a parental cash asset and income test.

Clients seeking work involving less than 30 hours per week may access Transition to Work Grants if it is reasonable and appropriate (eg there is no full-time work available, the client is working with Work and Income to progress toward full-time employment, the client is unable to work full-time but able to work limited hours).

Income and asset limits for Work Transition Grants are shown in table 3.40 below. For clients aged 16-17 years who are dependent children, the cash assets of the people they are dependent on are taken into account.

table 3.40 **Income and asset limits for Transition to Work Grants (applicable from 1 April 2008)**

Status of client	Income limit ¹	Asset limit
Single 16–17 years	\$420.72	\$921.08
Single 18 years or over	\$483.54	\$921.08
Married with or without children	\$702.30	\$1,534.76
Sole parent, one child	\$586.74	\$1,534.76
Sole parent, two or more children	\$618.16	\$1,534.76

Note:

¹ Income limits applicable from 1 April 2008. Income limits shown are weekly and gross of income tax.

Work Start Grants

Prior to April 2007, Work Start Grants were available to meet the essential costs of taking up paid employment or attending a job interview. These grants were 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 were required to:

- 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 applied.

A maximum of \$300 worth of Work Start Grants were available in any 52-week period, except where the client received a grant for relocation, safety equipment or bridging finance, when grants worth up to \$550 were available. Grants were non-taxable and non-recoverable.

After April 2007, these grants were incorporated into the assistance delivered as Transition to Work Grants.

Pathways Payment

Prior to 30 April 2007, Pathways Payments were available 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.

After April 2007, these payments were incorporated into the assistance delivered as Transition to Work Grants.

To receive a Pathways Payment, a client or their spouse needed to:

- cancel a main benefit in order to enter paid employment
- inform Work and Income before beginning paid employment
- have a dependent child or children
- have received one or more main benefits for a continuous period of 12 months or more prior to entering paid employment.

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

The Pathways Payment was 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 were:

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

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 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
- \$59.50 per day (as at 1 April 2008).

A total of no more than \$595.00 in New Employment Transition Grants may be paid to a client within the six-month qualifying period. 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 this 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 2007, this assistance was available to people working in the fruit, vegetable, wine, flower, hops, hemp, tobacco, olive, 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 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 available as at 1 April 2008 are shown in table 3.41 below.

table 3.41 Maximum rates of Seasonal Work Assistance payable (applicable from 1 April 2008)

Hours of work lost (over one week)	Maximum weekly payment	
	Single person	Married person, person in civil union, or sole parent
1–8 hours	\$40.00	\$73.00
9–16 hours	\$80.00	\$146.00
17–24 hours	\$120.00	\$219.00
25–32 hours	\$160.00	\$292.00
33–40 hours	\$200.00	\$365.00
Over 40 hours	\$200.00	\$365.00

A total of no more than \$730.00 in Seasonal Work Assistance may be paid to a client within the six-month qualifying period. This assistance is non-taxable and non-recoverable.

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.

Trends in the number of Transition to Work Grants, Work Start Grants and Pathways Payments provided

The combined number of Transition to Work Grants, Work Start Grants and Pathways Payments provided has increased over the last two years, after decreasing in the previous two years (see table 3.42). Reductions over the last two years in the number of Work Start Grants, and reductions in the number of Pathways Payments over the last year reflect the replacement of this assistance by Work Transition Grants. Earlier reductions in numbers of Work Start Grants reflect lower numbers of job seekers registered and leaving the register for paid employment.

Transition to Work Grants accounted for virtually all of the grants provided in 2007/2008, compared with 21% in 2006/2007 (see table 3.42).

table 3.42 Trends in the types of expenditure met by Transition to Work Grants, Work Start Grants and Pathways Payments provided

Type of assistance	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number
Work Start Grants¹					
Bridging Finance – Non-student	7,994	5,974	5,516	4,692	1
Job Search Costs – Non-student	8,313	6,462	6,485	5,614	1
Work Placement Costs – Non-student	47,231	40,270	36,342	31,290	36
Bridging Finance – Student	71	57	43	49	0
Job Search Costs – Student	73	58	91	49	0
Work Placement Costs – Student	686	676	721	403	0
Total Work Start Grants¹	64,368	53,497	49,198	42,097	38
Transition to Work Grants²					
Bridging Finance - Benefit recipient	0	0	0	1,199	6,516
Bridging Finance - other	0	0	0	1,103	7,876
Job Placement Costs	0	0	0	8,232	52,202
Job Search Costs	0	0	0	2,160	13,952
Unspecified	0	0	0	9	0
Total Transition to Work Grants²	0	0	0	12,703	80,546
Pathways Payments³					
Total Pathways Payments³	6,269	6,719	6,934	6,673	0
All payment types					
Total payments made (all types)	70,637	60,216	56,132	61,473	80,584

Notes

- 1 Numbers of Work Start Grants recorded in SWIFTT during years ended June. Work Start Grants were superseded by Transition to Work Grants from April 2007.
- 2 Numbers of Transition to Work Grants recorded in SWIFTT during years ended June. Work Transition Grants were available from April 2007.
- 3 Numbers of Pathways Payments recorded in SWIFTT during years ended June. Pathways Payments were superseded by Transition to Work Grants from April 2007.

Trends in the number of New Employment Transition Grants provided

The number of New Employment Transition Grants provided each year has trended upward since 2003/2004 (see table 3.43).

table 3.43 Trends in the number of New Employment Transition Grants provided

	New Employment Transition Grants provided ¹				
	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number
Total	362	569	535	702	841

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 has increased over the last year, following a decrease between 2003/2004 and 2006/2007 (see table 3.44). As well as lower numbers of job seekers entering paid work (as numbers of job seekers fall), this reflects the impact during 2003/2004 and 2007/2008 of stormy weather patterns on the opportunities to undertake seasonal work.

table 3.44 Trends in the number of Seasonal Work Assistance payments provided

	Seasonal Work Assistance payments provided ¹				
	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number
Total	2,890	1,878	1,492	1,130	1,754

Note

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

Trends in expenditure on Transition to Work assistance***Trends in expenditure on Transition to Work Grants, Work Start Grants and Pathways Payments***

Combined expenditure on Transition to Work Grants, Work Start Grants and Pathways Payments has increased over the last two years (see table 3.45), reflecting increases in both the number of grants paid and in the average value of each grant paid.

table 3.45 Trends in the value of Transition to Work Grants, Work Start Grants and Pathways Payments provided, by expenditure type

Type of assistance	2003/2004 Amount (\$000)	2004/2005 Amount (\$000)	2005/2006 Amount (\$000)	2006/2007 Amount (\$000)	2007/2008 Amount (\$000)
Work Start Grants¹					
Bridging Finance – Non-student	1,663	1,223	1,161	1,030	0
Job Search Costs – Non-student	699	529	526	443	0
Work Placement Costs – Non-student	5,825	4,851	4,373	3,742	4
Bridging Finance – Student	15	11	8	9	0
Job Search Costs – Student	8	7	10	5	0
Work Placement Costs – Student	84	82	95	53	0
Total Work Start Grants¹	8,294	6,703	6,173	5,281	5
Transition to Work Grants²					
Bridging Finance - Benefit recipient	0	0	0	383	2,113
Bridging Finance - other	0	0	0	325	2,469
Job Placement Costs	0	0	0	1,414	9,450
Job Search Costs	0	0	0	201	1,259
Unspecified	0	0	0	1	0
Total Transition to Work Grants²	0	0	0	2,324	15,291
Pathways Payments³					
Total Pathways Payments³	2,376	2,589	2,642	2,781	0
Total value (all payment types)					
Total value (\$000) ⁴	10,670	9,292	8,815	10,386	15,296
Average value per payment (\$)	151	154	157	169	190

Notes

- 1 Expenditure on Work Start Grants recorded in SWIFTT during years ended June. Work Start Grants were superseded by Transition to Work Grants from April 2002.
- 2 Expenditure on Transition to Work Grants recorded in SWIFTT during years ended June. Transition to Work Grants were available from April 2007.
- 3 Expenditure on Pathways Payments recorded in SWIFTT during years ended June. Pathways payments were superseded by Transition to Work Grants from April 2007.
- 4 Due to rounding, values shown may not add to totals given.

Trends in expenditure on New Employment Transition Grants

Expenditure on New Employment Transition Grants has trended upwards since 2003/2004 (see table 3.46). This reflects increases in the average value of the grants paid as well as an upward trend in the number of grants made.

table 3.46 Trends in expenditure on New Employment Transition Grants

	Expenditure on New Employment Transition Grants ¹				
	2003/2004 Amount	2004/2005 Amount	2005/2006 Amount	2006/2007 Amount	2007/2008 Amount
Total (\$000)	72	125	116	168	225
Average value per payment (\$)	\$200	\$220	\$217	\$239	\$268

Note

1 Expenditure on New Employment Transition Grants recorded in SWIFTT in years ended June.

Trends in expenditure on Seasonal Work Assistance payments

Expenditure on Seasonal Work Assistance payments has increased over the last year following decreases over the last three years (see table 3.47). This reflects both changes in the numbers of payments made and fluctuations in the average value of payments.

table 3.47 Trends in expenditure on Seasonal Work Assistance payments

	Expenditure on Seasonal Work Assistance payments ¹				
	2003/2004 Amount	2004/2005 Amount	2005/2006 Amount	2006/2007 Amount	2008/2008 Amount
Total (\$000)	388	278	222	156	280
Average value per payment (\$)	\$134	\$148	\$149	\$138	\$160

Note

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

Course Participation Assistance

Course Participation Assistance provides non-taxable, non-recoverable financial assistance towards the actual and reasonable costs for clients participating in a short-term employment-related training course or programme. These courses or programmes are generally less than 12 weeks long. When courses are over 12 weeks long, Course Participation Assistance can only be considered if the course doesn't qualify for Student Loans or Student Allowances.

To receive Course Participation Assistance, clients must:

- be receiving a main benefit or be on stand-down for one
- meet asset and income tests
- be attending a short-term employment-related course or programme
- have specific costs because they are participating in that course or programme.

The following factors are also taken into account:

- whether the client would be unable to participate in the course or programme without Course Participation Assistance
- if the course or programme is appropriate to the client's personal situation and skill development needs
- whether the course or programme is in line with the client's service plan and is a progression towards employment
- whether the course or programme is likely to improve the likelihood of the client gaining employment.

The course or programme that the client is attending must be either:

- provided and approved by Work and Income

- supplied by a provider contracted to Work and Income
- attached to a specific vacancy listed by Work and Income, and Work and Income considers it appropriate to match the client with the vacancy (eg Work and Income list a vacancy for a truck driver, and the client needs their heavy trade licence to apply), or
- specifically recognised by Work and Income in conjunction with a partnership initiative (eg Job Partnerships with Industry).

The income and asset limits for receiving Course Participation Assistance are shown in table 3.48.

table 3.48 Income and asset limits for Course Participation Assistance (applicable from 1 April 2008)

Client status ¹	Income limit ²	Asset limit
Single, 16–17 years	\$420.72	\$921.08
Single, 18 years or over	\$483.54	\$921.08
Married, with or without children	\$702.30	\$1,534.76
Sole parent, one child	\$586.74	\$1,534.76
Sole parent, two or more children	\$618.16	\$1,534.76

Notes

- 1 "Married" includes clients who are married, living as married, or in a civil union.
- 2 Income limits shown are weekly income, including tax paid.

Course Participation Assistance may be paid to cover course or tuition fees, transport, childcare or care of other dependents. Maximum levels have been set for assistance with each of these costs, and are shown in table 3.49.

Where clients are receiving assistance with both transport and caring costs, the combined amount of Course Participation Assistance paid toward these costs can't exceed \$80 per week.

table 3.49 Maximum payments of Course Participation Assistance (available from 1 April 2008)

Purpose	Maximum payment ¹
Tuition and enrolment fees	\$200.00
Transport costs	\$60.00
Caring costs ²	\$80.00

Notes

1. Maximum weekly payments available from 1 April 2008.
2. May be available to cover costs of formal or informal care arrangements for children, disabled people or older people. Childcare costs covered exclude any costs met by Childcare Subsidies, OSCAR Subsidies, or Child Disability Allowances.

Trends in the number of people receiving Course Participation Assistance

Over the year ended June 2008, 3,624 payments of Course Participation Assistance were made, to a total value of \$653,000. Fifty five percent of these payments were made to clients receiving an unemployment-related benefit, and 21% to clients receiving carer's benefits. This compares with 445 payments totalling \$74,000 which were made in the three months ending June 2007.

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, which was followed by incremental increases in the age of eligibility for New Zealand Superannuation 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. The phasing-out of Transitional Retirement Benefits was completed on 1 April 2004, when the eligibility age for these benefits reached 65 years. Since that date, no one has received or been granted a Transitional Retirement Benefit.

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 don't 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 this pension. In these cases, the partner or spouse who doesn't qualify for New Zealand Superannuation in their own right is referred to as a "non-qualified spouse". Where one partner or spouse is a non-qualified spouse, 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 this pension 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 2004 (see table 3.50). This reflects the impact of the ageing of the population, combined with relatively constant cessations of New Zealand Superannuation over the period. Since 2004, around 53% of New Zealand Superannuation recipients have been aged 65–74 years, while around 44% have been aged 75 years or over.

table 3.50 Trends in the ages of clients receiving New Zealand Superannuation

Age of client at the end of June	Clients receiving New Zealand Superannuation ¹				
	2004 Number	2005 Number	2006 Number	2007 Number	2008 Number
Under 60 years ²	4,507	4,205	3,899	3,484	3,179
60–64 years ²	12,815	11,971	11,072	10,303	9,781
65–69 years	127,786	135,322	144,867	153,900	158,186
70–74 years	111,757	111,329	111,240	113,201	117,332
75–79 years	94,098	95,021	96,754	97,382	97,581
80 years or over	113,661	117,367	120,993	124,447	128,217
Unspecified	0	0	0	0	0
Total	464,624	475,215	488,825	502,717	514,276

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 of 65 years are non-qualified spouses.

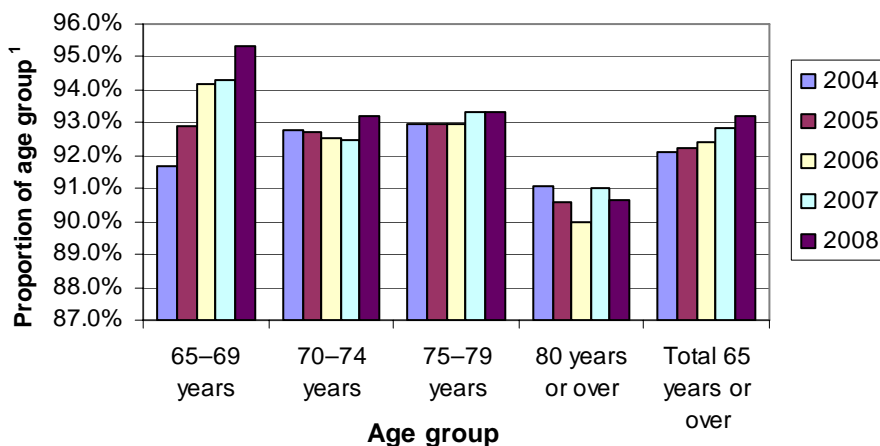
Table 8.1 (see Section 8) shows trends since 1940 in the number of clients receiving New Zealand Superannuation.

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

Each year since 2003, around 92% of all people aged 65 years or over in the New Zealand population have been receiving New Zealand Superannuation at the end of June (see figure 3.13). Changes over this period in the likelihood of people aged 80 years or over receiving New Zealand Superannuation appear to reflect a combination of patterns in use of Veteran’s Pensions and population changes.

A small number of people aged 65 years or over receive neither New Zealand Superannuation or Veteran’s Pension. This group mainly comprises people who are not ex-service personnel and don’t meet eligibility criteria for New Zealand Superannuation, usually because they don’t meet the residency qualification.

figure 3.13 Trends in the proportion of people aged 65 years or over receiving New Zealand Superannuation, by age



Note

- 1 Proportion shows:
 - a numbers of clients in age group receiving New Zealand Superannuation, divided by
 - b 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 grants

The annual number of New Zealand Superannuation grants has decreased in the last year following increases over the previous three years (see table 3.51). The decrease in the last year reflects, in part, smaller numbers of people entering the 65 years or over age group in 2008.

Seventy-six percent of the clients granted New Zealand Superannuation in 2007/2008 had not received a pension or main benefit within the previous four years, compared with 71% in 2003/2004 (see table 3.51). The proportion of these clients who transferred from another pension, benefit or district decreased over the same period (from 23% to 18%).

table 3.51 Trends in the length of periods since clients granted New Zealand Superannuation last received any pension or main benefit

Period since client last received any pension or main benefit	New Zealand Superannuation pensions granted ¹				
	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number
None (clients transferring from another pension or district, or from a main benefit) ²	8,216	8,083	8,011	7,907	7,252
Under 6 months	389	362	364	394	337
6–12 months	347	305	383	357	344
12–18 months	268	254	320	322	284
18 months–2 years	240	254	272	264	264
2–4 years	786	897	905	983	991
Had not received a pension or main benefit in previous four years	25,312	28,854	31,118	31,845	30,048
Total	35,558	39,009	41,373	42,072	39,520

Notes

- 1 Numbers of successful applications for New Zealand Superannuation recorded in SWIFTT during years ended June.
- 2 Includes only a minority of transfers of New Zealand Superannuation between districts. Most such transfers are accomplished without cancelling and re-granting New Zealand Superannuation.

Trends in expenditure on New Zealand Superannuation

Increases since 1999/2000 in expenditure on New Zealand Superannuation (see table 3.52) reflect the combined effects of larger numbers receiving it, adjustments to the rate at which it is paid, and changes in the use of supplementary benefits (eg Disability Allowance) by clients receiving New Zealand Superannuation. Between 1995/1996 and 1999/2000, expenditure on New Zealand Superannuation was relatively flat, reflecting a combination of:

- incremental increases in the age of eligibility for New Zealand Superannuation which occurred between 1 April 1992 and 1 April 2001 (this had the effect of depressing growth in receipt of New Zealand Superannuation over the period of the change)
- population ageing, through growth in the size of the population eligible to receive New Zealand Superannuation
- adjustments to the rate at which this pension is paid
- increased expenditure on Disability Allowances paid to New Zealand Superannuation recipients, which is included in the expenditure information below..

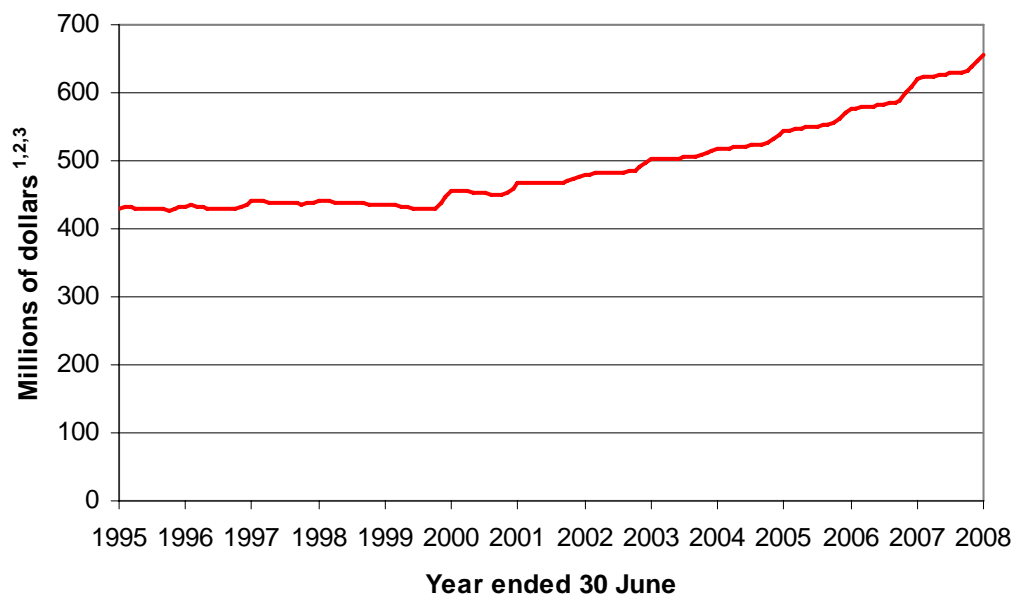
table 3.52 Trends in annual expenditure on New Zealand Superannuation

Year ended June	Expenditure on New Zealand Superannuation ^{1,2,3} (\$m)
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
2005/2006	6,658
2006/2007	7,068
2007/2008	7,585

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 and to adjustments in the rate of payment. Seasonal peaks in expenditure between 1995/1996 and 2000/2001 reflect the impact of a surge of New Zealand Superannuation grants in the quarters beginning April and October each year (as each incremental increase in eligibility age took effect). These peaks no longer occur because the age of eligibility has remained 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 8.2 (see Section 8) shows trends since 1940 in expenditure on New Zealand Superannuation, including expenditure on supplementary benefits paid to people receiving New Zealand Superannuation.⁷

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 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 one. On 1 July 1999, the funding of the Veteran's Pension was transferred from Vote: Work and Income to Vote: Veteran's Affairs – Work and Income. In subsequent years, funding of Veteran's Pensions has remained in Vote: Veterans Affairs. It is now in 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 2004 (see table 3.53). Over this period, the proportion of recipients who were aged 80 years or over has increased (from 56% to 64%), while the proportion aged 70–79 years has decreased (from 30% to 23%). This reflects the ageing of World War Two veterans and their spouses, who are the largest group of Veteran's Pension recipients.

⁷ In table 8.2, expenditure data from 1996 onwards reflects deductions for debts established and for clients receiving overseas pensions as well as New Zealand Superannuation. The data in table 3.52 and figure 3.14 don't reflect these deductions.

table 3.53 Trends in the ages of clients receiving a Veteran’s Pension

Age of client at the end of June	Clients receiving a Veteran’s Pension ¹				
	2004 Number	2005 Number	2006 Number	2007 Number	2008 Number
Under 60 years	365	352	326	284	218
60–64 years	312	357	363	393	462
65–69 years	452	478	562	681	770
70–74 years	779	776	828	887	930
75–79 years	1,793	1,670	1,577	1,514	1,514
80 years or over	4,764	5,238	5,816	6,306	6,842
Unspecified	0	0	0	0	0
Total	8,465	8,871	9,472	10,065	10,736

Note

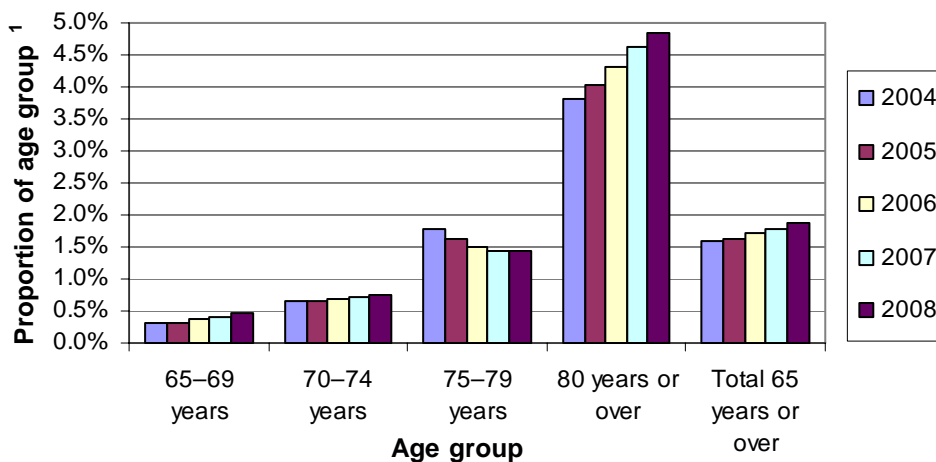
1 Numbers of clients recorded in SWIFFT as receiving a Veteran’s Pension at the end of June.

Table 8.1 (see Section 8) 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

Each year since 2004, less than 2% of all people aged 65 years or over in the New Zealand population have been receiving a Veteran’s Pension at the end of June (see figure 3.15). Increases over this period in the proportion of people aged 80 years or over who are receiving a pension, and decreases in the proportion aged 75–79 years, 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:

- a numbers of clients in age group recorded in SWIFFT as receiving a Veteran’s Pension 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 A3.12 (Appendix 3) for a summary of the SWIFFT data underlying figure 3.15.

Trends in Veteran’s Pensions granted

The number of Veteran’s Pensions granted has increased over the last three years (see table 3.54). This largely reflects the ageing of veterans and associated patterns in applications.

Over the last two years, the proportion of clients granted Veteran's Pensions who had transferred from another benefit, pension or district increased from 84% to 89% (see table 3.54). Pensions granted after a transfer frequently involved clients transferring from New Zealand Superannuation. The proportion of these clients who had not received a main benefit or pension in the previous four years decreased slightly over the same period (from 13% to 9%).

table 3.54 Trends in the length of periods since clients granted a Veteran's Pension last received any pension or main benefit

Period since client last received any pension or main benefit	Veteran's Pensions granted ¹				
	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number
None (clients transferring from another pension or district or from a main benefit) ²	1,076	1,047	1,152	1,279	1,439
Under 6 months	3	7	18	5	5
6–12 months	2	2	2	2	1
12–18 months	5	5	2	1	2
18 months–2 years	4	4	7	4	2
2–4 years	7	10	14	10	17
Had not received a pension or main benefit in previous four years	159	168	172	179	151
Total	1,256	1,243	1,367	1,480	1,617

Notes

- 1 Numbers of successful applications for Veteran's Pensions recorded in SWIFTT in 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 Veteran's Pensions

Increases since 1995/1996 in annual expenditure on Veteran's Pensions (see table 3.55) reflect both increases in the number of people receiving a pension and changes in the rate of payment. Accelerating increases in Veteran's Pension expenditure over the last five years reflect both growth in numbers receiving these pensions and increased use of supplementary benefits (eg Disability Allowance) by recipients of these pensions.

table 3.55 Trends in annual expenditure on Veteran's Pensions

Year ended June	Expenditure on Veteran's Pensions ^{1,2,3} (\$m)
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
2005/2006	112
2006/2007	124
2007/2008	139

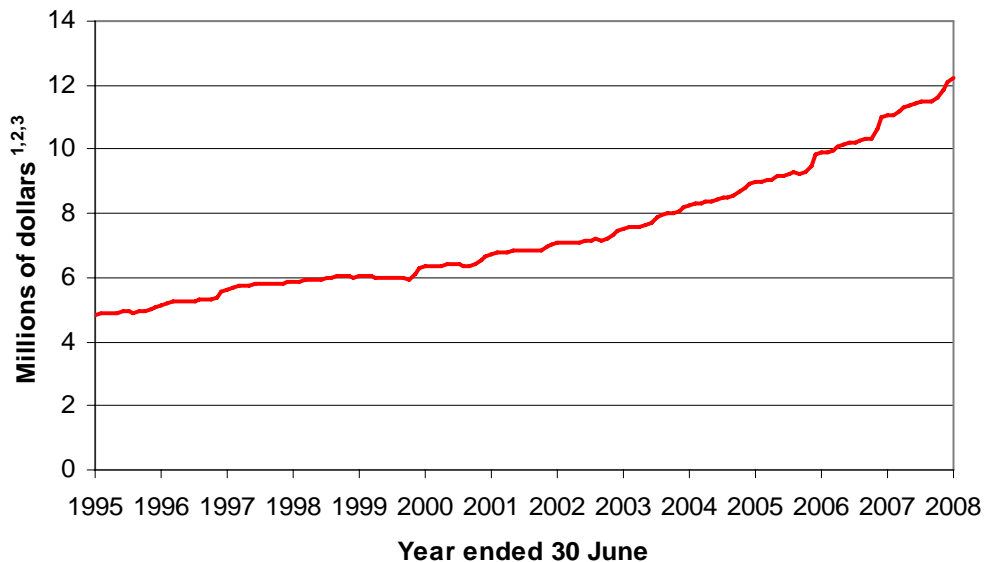
Notes

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

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

- a decision to increase the payment rate by more than the Consumers Price Index (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 8.2 (see Section 8) shows trends since 1990 in expenditure on Veteran's Pensions and on supplementary benefits paid to clients receiving these pensions.⁸

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 the client can't 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.

⁸ In table 8.2, expenditure data from 1996 onwards reflects deductions for debts established and for clients receiving overseas pensions as well as Veteran's Pensions. These deductions are not reflected in the data shown in table 3.55 and figure 3.16.

Trends in the number of clients receiving an Emergency Benefit

The number of Emergency Benefit recipients has decreased over the last two years (see table 3.56). This reflects a combination of an ongoing downward trend in numbers of working age clients receiving Emergency Benefits (resulting from changes in client circumstances) and the impact of a change from July 2007 in residency criteria to receive some other benefits.

Since 2003, the proportion of recipients who were working age has decreased from 46% to 32% (see table 3.56). Virtually all of the remainder have been aged 65 years or over, with numbers in this age group trending upward over recent years until the residency changes in the last year. Many clients receiving these benefits do so because they are not residentially qualified to receive other pensions or main benefits.

Between 2007 and 2008, the proportion of working age Emergency Benefit recipients who were aged 40-64 years decreased from 63% to 56% (see table 3.56). Since 2004, the proportion of these clients who had received their benefit for less than two years decreased slightly (from 67% to 63%) (see table 3.57). This reflects a slowing of grants of Emergency Benefits to working age people.

table 3.56 Trends in the ages of clients receiving an Emergency Benefit

Age of client at the end of June	2004 Number	2005 Number	2006 Number	2007 Number	2008 Number
Working age clients receiving an Emergency Benefit¹					
18-19 years	151	116	119	107	123
20-24 years	352	309	314	283	245
25-29 years	368	335	317	273	265
30-34 years	422	334	357	292	251
35-39 years	450	368	343	301	267
40-44 years	397	358	401	325	227
45-49 years	446	386	421	334	215
50-54 years	397	385	403	405	252
55-59 years	412	398	430	448	288
60-64 years	734	489	633	635	506
Total working age clients	4,129	3,478	3,738	3,403	2,639
Other clients receiving an Emergency Benefit¹					
Total other clients	4,818	5,505	5,958	5,995	5,636
Total clients receiving an Emergency Benefit¹					
Total	8,947	8,983	9,696	9,398	8,275

Note

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

table 3.57 Trends in the length of current spells receiving an Emergency Benefit, for working age clients

Length of current spell to the end of June	Working age clients receiving an Emergency Benefit ¹				
	2004 Number	2005 Number	2006 Number	2007 Number	2008 Number
Under 6 months	1,389	1,120	1,225	1,047	783
6 months-2 years	1,392	1,213	1,190	1,140	890
2-4 years	767	653	758	714	540
4 years or over	581	492	565	502	426
Total	4,129	3,478	3,738	3,403	2,639

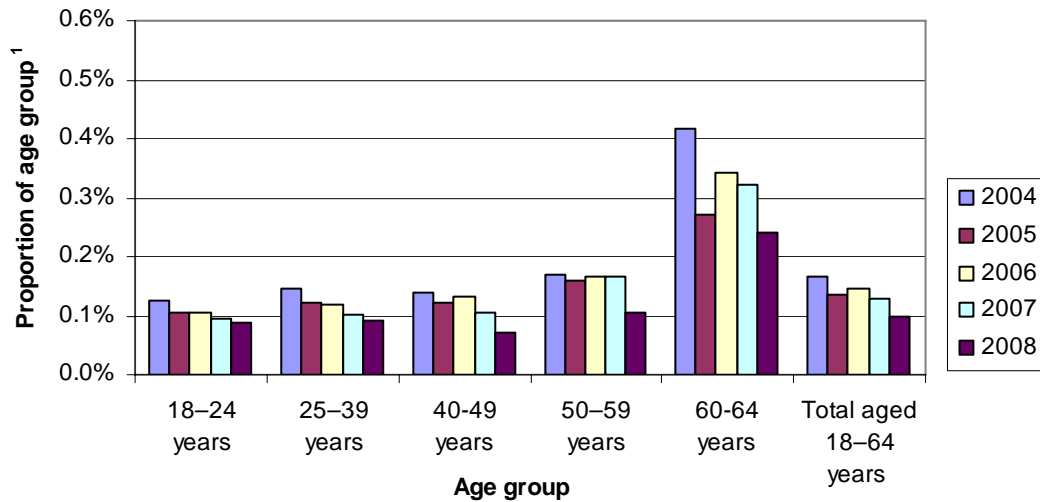
Note

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

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

Each year since 2004, less than 0.2% of all working age people in the New Zealand population have received an Emergency Benefit at the end of June. A significantly higher proportion of 60–64 year olds than of younger people have done this (see figure 3.17).

figure 3.17 Trends in the proportion of working age people receiving an Emergency Benefit, by age



Note

1 Proportion shows:

- a number of clients in age group recorded in SWIFTT as receiving an Emergency 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 A3.13 (Appendix 3) for a summary of the SWIFTT data underlying figure 3.17.

Trends in Emergency Benefits granted

The number of Emergency Benefits granted has decreased over the last two years (see table 3.58), with an accelerated decrease over the last year reflecting, in part, changes in residency criteria for entitlement to New Zealand Superannuation and to some main benefits. Since 2004/2005, around 80% of these benefits granted have been provided to working age clients. Virtually all of the remainder have been granted to clients aged 65 years or over.

Since 2004/2005, the proportion of working age clients granted Emergency Benefits who had received a benefit in the previous 12 months has decreased (from 53% to 45%) (see table 3.58).

table 3.58 Trends in the length of periods since clients granted an Emergency Benefit last received any main benefit

Period since client last received any main benefit	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number
Number of Emergency Benefits granted to working age clients¹					
None (clients transferring from another benefit or district) ²	1,843	1,337	1,386	1,142	723
Under 6 months	3,387	3,005	2,803	2,414	1,880
6–12 months	918	1,044	1,065	896	667
12–18 months	280	302	365	316	270
18 months–2 years	223	259	304	280	212
2–4 years	373	429	513	513	424
Had not received a main benefit in previous four years	1,353	1,193	1,467	1,454	1,505
Total granted to working age clients	8,377	7,569	7,903	7,015	5,681
Number of Emergency Benefits granted to other clients¹					
Total granted to other clients	1,523	1,946	1,824	1,575	1,531
Total number of Emergency Benefits granted¹					
Total	9,900	9,515	9,727	8,590	7,212

Notes

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

Trends in cancellations of Emergency Benefits

The number of Emergency Benefits cancelled decreased in the last year, after remaining relatively stable for the previous two years (see table 3.59). Since 2003/2004, the proportion of these cancellations which were by working age clients has decreased (from 87% to 77%). 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 or transferred to another pension or main benefit (usually to New Zealand Superannuation).

Forty-eight percent of the working age clients cancelling Emergency Benefits in 2007/2008 entered paid work, compared with 54% in 2006/2007 (see table 3.59). There was a corresponding rise in the proportion of these clients transferring to another benefit, pension or district (including those qualifying for New Zealand Superannuation) (from 22% to 29%).

table 3.59 Trends in reasons for clients cancelling Emergency Benefits

Reason for cancellation	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number
Emergency Benefits cancelled by working age clients¹					
Obtained paid work ²	3,280	3,859	3,814	3,974	3,100
Transferred to another benefit, pension or district ^{3,4}	2,238	2,368	1,718	1,636	1,871
Other ²	2,691	2,193	1,925	1,688	1,497
Total cancelled by working age clients	8,209	8,420	7,457	7,298	6,468
Emergency Benefits cancelled by other clients¹					
Total cancelled by other clients	1,222	1,357	1,461	1,692	1,906
Total Emergency Benefits cancelled¹					
Total	9,431	9,777	8,918	8,990	8,374

Notes

- 1 Numbers of Emergency Benefit cancellations recorded in SWIFTT in years ended June.
- 2 Due to recoding of reasons for cancelling main benefits, these figures may not reconcile with those published in previous years.
- 3 "Transferred to another benefit [or] pension" includes some transfers from main benefits to New Zealand Superannuation, including those previously shown 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 Trends in use of supplementary benefits and hardship assistance

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.

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 all the people covered.

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 accommodation-related costs over an entry threshold, up to a maximum that varies according to region and household size. For boarders, 62% of their boarding costs are considered as accommodation-related costs.

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 from October 2004, 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 slightly in the last year, after decreasing in the previous year (see table 4.1). The recent increase in numbers

receiving supplements reflects a rise in numbers receiving Invalid's Benefits combined with a slowing in the decrease in numbers receiving unemployment-related benefits.

In 2008, 22% of Accommodation Supplement recipients were not receiving any pension or main benefit, compared with nine percent in 2004 (see table 4.1). There was a corresponding decrease in the proportion receiving unemployment-related benefits (from 21% to 7%). Since 2004, the proportion of Accommodation Supplement recipients receiving a carer's benefit has decreased (from 33% to 28%).

table 4.1 Trends in the types of pension or main benefit paid to clients receiving an Accommodation Supplement

Type of pension or main benefit paid at the end of June	Clients receiving an Accommodation Supplement ¹				
	2004 Number	2005 Number	2006 Number	2007 Number	2008 Number
Unemployment-related benefits ²	48,830	37,756	32,518	21,286	18,265
Carer's benefits ³	77,476	75,279	72,537	68,459	68,904
Sickness-related benefits ⁴	29,822	31,268	33,198	34,113	33,522
Invalid's Benefit	33,270	35,179	37,043	38,265	41,755
Widow's Benefit	2,495	2,497	2,388	2,204	2,155
Emergency Benefit	5,541	5,582	6,034	5,806	5,143
New Zealand Superannuation	17,102	18,570	20,141	21,281	22,452
Veteran's Pension	281	325	333	325	348
No pension or main benefit ⁵	21,878	36,156	45,186	51,694	52,966
Total	236,695	242,612	249,378	243,433	245,510

Notes

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

Since 2005, around 59% of Accommodation Supplement recipients have been renting privately, while around 20% have been boarding (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				
	2004 Number	2005 Number	2006 Number	2007 Number	2008 Number
Renting privately	137,038	142,076	146,904	145,519	148,173
Renting from another organisation	5,936	6,245	6,627	6,778	7,162
Boarding	55,418	52,357	52,703	48,686	48,901
Own their own home ²	38,293	41,772	43,115	42,427	41,254
Unspecified	10	162	29	23	20
	236,695	242,612	249,378	243,433	245,510

Notes

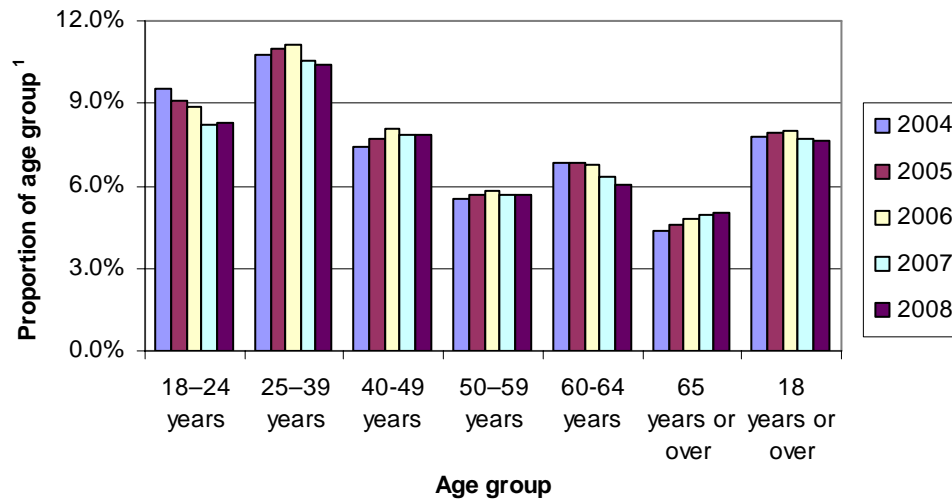
- 1 Numbers of clients recorded in SWIFTT as receiving an Accommodation Supplement at the end of June.
- 2 Virtually all these clients are receiving assistance with mortgage costs. A very small number, however, may own their home without a mortgage but be receiving assistance with other accommodation costs such as rates or insurance.

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

The proportion of all people aged 18 years or over in the New Zealand population who were receiving an Accommodation Supplement at the end of June each year has fluctuated since 2004 (see figure 4.1). This reflects the combined impact of decreases over this period in numbers of recipients of main benefits and the expansion of Accommodation Supplements provided to low-income working families through the Working for Families package.

Throughout this period, 18–39 year olds have been more likely than older working age people to receive an Accommodation Supplement, while people aged 65 years or over have been least likely to do so (see figure 4.1). These patterns reflect at least in part the increased likelihood that younger people are both living on low incomes and not owning their own homes.

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



Note

1 Proportion shows:

- a number of people in age group recorded in SWIFTT as receiving an Accommodation Supplement 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 A3.14 (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 has decreased over the last three years (see table 4.3). This reflects decreases in the number of clients receiving a main benefit, particularly unemployment-related benefits.

Thirty percent of the clients granted Accommodation Supplements in 2007/2008 were receiving an unemployment-related benefit, compared with 47% in 2003/2004. Over the same period, the proportion of these clients who were not receiving any pension or main benefit has increased (from 11% to 23%) (see table 4.3).

table 4.3 Trends in the types of pension or main benefit paid to clients granted an Accommodation Supplement

Type of pension or main benefit received when Accommodation Supplement granted	Accommodation Supplements granted ¹				
	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number
Unemployment-related benefits ²	106,190	93,144	83,813	71,961	61,745
Carer's benefits ³	34,674	34,534	32,211	31,161	33,476
Sickness-related benefits ⁴	37,346	38,066	38,597	39,647	40,822
Invalid's Benefit	10,206	10,935	10,344	10,313	12,790
Widow's Benefit	976	1054	863	760	830
Transitional Retirement Benefit ⁵	271	0	0	0	0
Emergency Benefit	6,805	6,739	6,963	6,183	5,344
New Zealand Superannuation	4,633	5,483	5,499	5,652	6,010
Veteran's Pension	83	123	105	100	108
No pension or main benefit ⁶	24,778	44,170	45,877	48,442	46,749
Total	225,962	234,248	224,272	214,219	207,874

Notes

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

Trends in expenditure on Accommodation Supplements

Decreased expenditure between 1999/2000 and 2000/2001 (see table 4.4) reflects the impact of the reintroduction of income-related rents for state rental homes in November 2000. Accommodation Supplement expenditure has increased since 2003/2004, with slower increases in the last two years. This pattern reflects a combination of:

- increases in 2004/2005 and later years in numbers of low-income working people receiving an Accommodation Supplement (This was largely due to broadened eligibility under the Working for Families package)
- increases since 1 April 2005 in the maximum levels of assistance available in some areas of New Zealand
- a levelling off of the increase in spending on accommodation supplements for Domestic Purposes Benefit (DPB) and low-income working households over the last two years, reflecting changes in numbers of these clients receiving Accommodation Supplements.

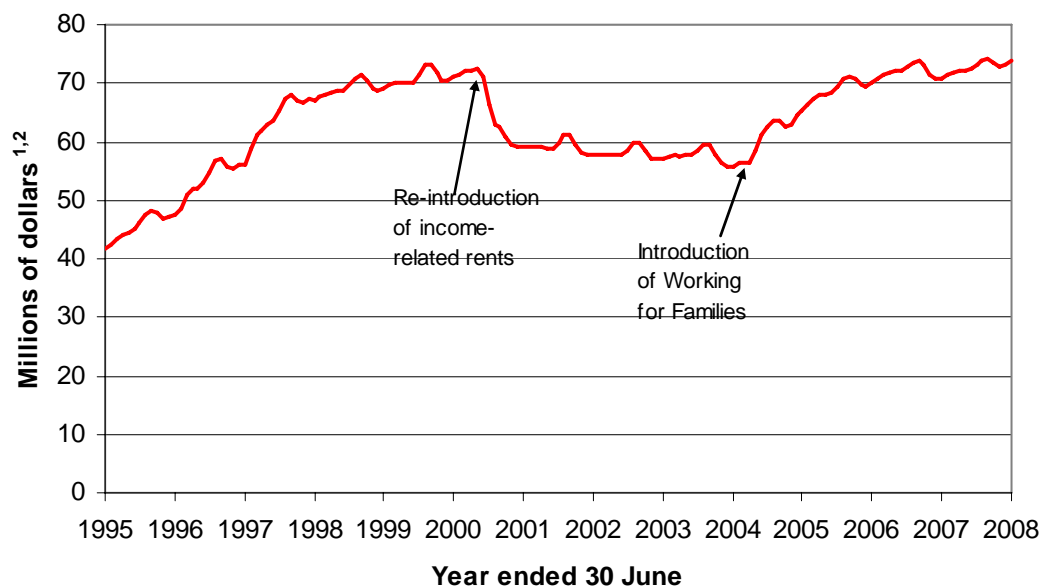
table 4.4 Trends in annual expenditure on Accommodation Supplements

Year ended June	Expenditure on Accommodation Supplements ^{1,2,3} (\$m)
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
2005/2006	830
2006/2007	865
2007/2008	875

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, the Ministry of Social Development's (MSD) 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), which reflect the seasonal peak in uptake of main benefits that occurs around this time.

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 Housing New Zealand Corporation (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, and
- 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 2004, the number of Special Transfer Allowance recipients has decreased from 125 to 56, reflecting attrition from the original group of clients who were eligible for an allowance. Over this period, between 92% and 95% of recipients have been receiving New Zealand Superannuation, reflecting the high proportion of allowance recipients who were aged 65 years or over.

Between one and three Special Transfer Allowances have been granted annually since 2003/2004. These are low numbers compared with earlier years, reflecting attrition from the original group of clients who were eligible for an allowance.

Trends in expenditure on Tenure Protection Allowances and Special Transfer Allowances

From 1996/1997 onward, combined annual expenditure on Tenure Protection Allowances and Special Transfer Allowances has decreased each year (from \$17 million in 1996/1997 to \$12 million in 1999/2000 and under half a million since 2001/2002). The low levels of expenditure on these allowances since 2001/2002 reflect 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 Tax Credits 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. The allowance is income tested, but 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 increased over the last two years, from 39 in 2006 to 60 in 2008. Between 2006 and 2008, the proportion of

recipients who were not receiving a pension or main benefit has increased from 44% to 75%, with a corresponding decrease in the proportion receiving a carer's benefit.

The number of Away from Home Allowances granted has increased over the last two years, from 92 in 2005/2006 to 108 in 2007/2008. Sixty-nine percent of clients granted an allowance in 2007/2008 were receiving no main benefit or pension, compared with 42% in 2005/2006. There was a corresponding decrease in the proportion granted to clients who were receiving a carer's benefit.

Unsupported Child's Benefit and Orphan's Benefit

Unsupported Child's Benefits and Orphan's Benefits are available to a caregiver aged 18 years or over who is not a natural parent, adoptive parent or step-parent and who is available to care for the child or children for at least 12 months.

These benefits are not taxable, but are income tested on any income the child receives other than personal earnings. The child is not work tested, and the child's caregiver is not income tested for these benefits.

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 can't support the child because they:

- are deceased
- suffer from a serious long-term illness or incapacity that means that they can't care for the child, or
- can't be found.

Residency tests apply, and the caregiver must intend to be the principal caregiver of the child for at least 12 months. No breakdown in the child's family needs to be established.

Trends in the number of clients receiving an Unsupported Child's Benefit or an Orphan's Benefit

Increases since 2004 in the number of clients receiving these benefits (see table 4.5) largely reflect growth in numbers receiving an Unsupported Child's Benefit. Virtually all of the recipients of these benefits since 2003 were receiving an Unsupported Child's Benefit. Over this period, an increasing proportion of these clients were not receiving any pension or main benefit (55% in 2008, compared with 49% in 2004) (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 Orphan's Benefit ¹				
	2004 Number	2005 Number	2006 Number	2007 Number	2008 Number
Unsupported Child's Benefit	6,682	6,908	7,125	7,205	7,439
Orphan's Benefit	369	371	377	382	334
Total	7,051	7,279	7,502	7,587	7,773

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 types of pension or main benefit paid to clients receiving an Orphan's Benefit or an Unsupported Child's Benefit

Type of pension or main benefit paid at the end of June	Clients receiving an Unsupported Child's Benefit or Orphan's Benefit ¹				
	2004 Number	2005 Number	2006 Number	2007 Number	2008 Number
Unemployment-related benefits ²	386	300	239	172	133
Carer's benefits ³	1,046	1,007	1,005	995	1,030
Sickness-related benefits ⁴	318	341	360	369	311
Invalid's Benefit	648	713	671	692	747
Widow's Benefit	169	145	145	143	134
Emergency Benefit	166	197	223	215	129
New Zealand Superannuation	853	896	948	917	967
Veteran's Pension	12	17	13	12	16
No pension or main benefit	3,453	3,663	3,898	4,072	4,306
Total	7,051	7,279	7,502	7,587	7,773

Notes

- 1 Numbers recorded in SWIFTT as receiving an Orphan's Benefit or an Unsupported Child's Benefit at the end of June.
- 2 Comprises Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to trainees, and Independent Youth Benefits.
- 3 Comprises Domestic Purposes Benefits – Sole Parent, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone and Emergency Maintenance Allowances.
- 4 Comprises Sickness Benefits and Sickness Benefits – Hardship.

Table 8.1 (see Section 8) 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.

The number of children covered by an Unsupported Child's Benefit or an Orphan's Benefit has increased since 2004 (see table 4.7). Of the children covered by these benefits over this period, between 67% and 70% have been aged under 14 years.

table 4.7 Trends in the ages 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 Orphan's Benefit ^{1,2}				
	2004 Number	2005 Number	2006 Number	2007 Number	2008 Number
0–4 years	1,107	1,193	1,299	1,364	1,467
5–9 years	2,554	2,637	2,736	2,863	2,978
10–13 years	2,608	2,746	2,862	2,929	3,002
14–17 years	3,024	3,056	3,133	3,127	3,121
18–19 years	69	100	117	121	104
Total	9,362	9,732	10,147	10,404	10,672

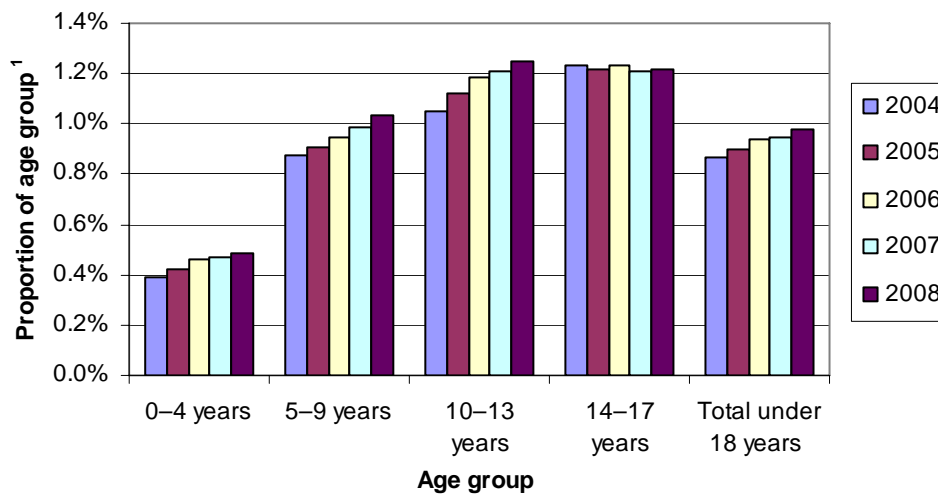
Notes

- 1 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.
- 2 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

Each year since 2004, around 1% of all children aged under 18 years in the New Zealand population have been covered by an Unsupported Child's Benefit or an Orphan's Benefit at the end of June (see figure 4.3) Throughout this period, 10–17 year olds have been more likely than younger children to be covered by one of these benefits.

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

- 1 Proportion shows:
 - a 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
 - b 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 increased over the last year, after decreasing over the previous two years (see table 4.8). Of the clients granted these benefits since 2003/2004, around 56% have had at least one dependent child aged under 14 years, including between 32% and 35% with a child aged under 10 years.

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				
	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number
0–4 years	563	605	593	614	698
5–9 years	487	502	465	471	527
10–13 years	753	767	706	646	792
14–17 years	1,465	1,403	1,380	1,346	1,605
18-19 years	4	1	2	5	15
Unspecified	0	0	1	0	0
Not Applicable ²	5	11	7	11	11
Total	3,277	3,289	3,154	3,093	3,648

Notes

- Numbers of successful applications for Unsupported Child's Benefits or Orphan's Benefits recorded in SWIFTT during years ended June.
- Clients may continue to receive an Unsupported Child's Benefit or an Orphan's Benefit for a short period after the child, in respect of whom the benefit was paid, has left their care.

Expenditure on Unsupported Child's Benefits and Orphan's Benefits

Increases since 1995/1996 in combined annual expenditure on Unsupported Child's Benefits and Orphan's Benefits (see table 4.9) largely reflect increases in the number of children covered by these benefits. Increases in expenditure in 1996/1997, 1997/1998, 2004/2005 and 2006/2007 also reflect, in part, the impact of adjustments to the core rates of payments of these benefits.

table 4.9 Trends in combined annual expenditure on Unsupported Child's Benefits and Orphan's Benefits

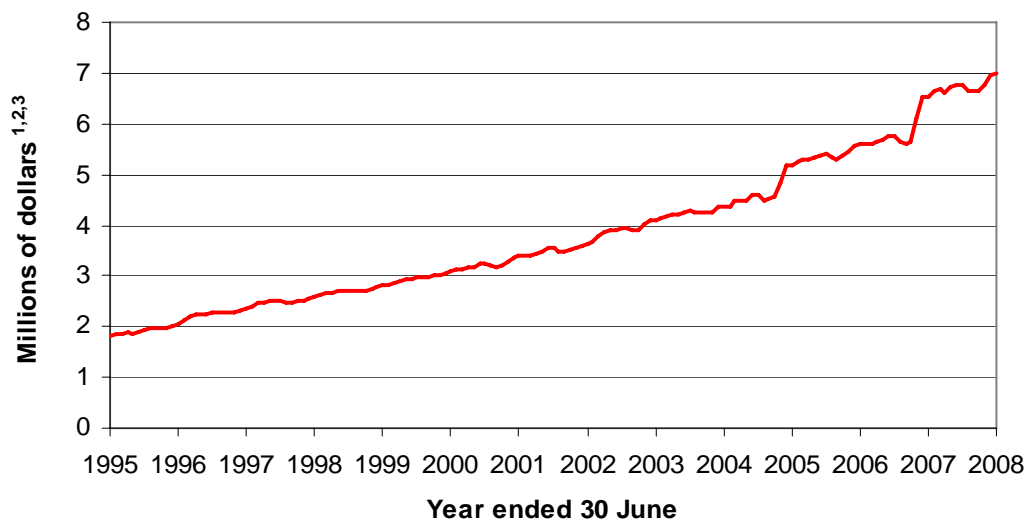
Year ended June	Expenditure on Unsupported Child's Benefits and Orphan's Benefits ^{1,2,3} (\$m)
1995/1996	23
1996/1997	27
1997/1998	30
1998/1999	33
1999/2000	36
2000/2001	39
2001/2002	42
2002/2003	47
2003/2004	51
2004/2005	56
2005/2006	65
2006/2007	70
2007/2008	81

Notes

- 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.
- 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.
- 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. The increase in April 2005 reflects a one-off \$15 increase across all the payment rates which replaced the usual annual general inflation adjustment. A further \$20 increase across all payment rates was made in April 2007, also replacing the usual annual general inflation adjustment.

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 8.2 (see Section 8) 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 receiving these benefits.⁹

Childcare Subsidy

The Childcare Subsidy programme assists with the costs of childcare faced by low- and middle-income families. It provides assistance with the cost of licensed childcare, family day care, home-based care and chartered Te Kōhanga Reo, and is paid directly to the childcare provider.

A Childcare Subsidy is available for children aged under five years, and for children aged under six years if the caregiver also receives a Child Disability Allowance for their child.

People can receive a Childcare Subsidy for up to 50 hours per week if:

- they are in employment, in training, or participating in an activity approved by Work and Income

⁹ In table 8.2, expenditure from 1996 onwards reflects deductions for debts established and for clients receiving overseas pensions as well as Unsupported Child's Benefits or Orphan's Benefits. These deductions are not reflected in the data shown in table 4.9 and figure 4.4.

- they or their child has a disability or serious illness.

Other people can receive Childcare Subsidy for up to nine hours per week.

In October 2004 and again in October 2005, the income limits entitling families to receive a Childcare Subsidy were raised under the Working for Families package.

Childcare Subsidies can't be paid for hours which are covered by the free early childhood education hours introduced from July 2007. The subsidy can, however, be used for additional hours or used instead of free early childhood education hours, as long as the combined total of hours covered doesn't exceed the client's maximum entitlement to subsidised hours (either nine hours or 50 hours as above).

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 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 has decreased over the last year, following increases over the previous three years (see table 4.10). Increases between 2004 and 2007 reflect the impact of increased Childcare Subsidies and widened eligibility under Working for Families. The decrease in the last year reflects the impact of the introduction of 20 hours free early childhood education, which resulted in a number of clients receiving the Subsidy for less than 20 hours per week ceasing the subsidy in order to take up free early childhood education.

Seventy percent of the children covered by these subsidies in 2008 had caregivers who were not receiving any pension or main benefit, compared with 30% in 2004 (see table 4.10). There was a corresponding decrease in the proportion who had caregivers receiving a carer's benefit (from 62% to 27%).

table 4.10 Trends in the type of pension or main benefit paid to caregivers of children covered by a Childcare Subsidy

Type of pension or main benefit paid to carer at the end of June	Children covered by a Childcare Subsidy ¹				
	2004 Number	2005 Number	2006 Number	2007 Number	2008 Number
Unemployment-related benefits ²	698	614	506	334	200
Carer's benefits ³	14,988	14,457	13,948	13,768	9,377
Sickness-related benefits ⁴	438	493	542	553	300
Invalid's Benefit	581	631	722	719	518
Widow's Benefit	101	90	95	67	44
Emergency Benefit	153	158	159	150	65
New Zealand Superannuation	34	41	54	51	29
Veteran's Pension	3	0	0	1	1
No pension or main benefit ⁵	7,241	16,846	20,889	26,909	24,346
Total	24,237	33,330	36,915	42,552	34,880

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 Comprises Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to trainees, and Independent Youth Benefits.
- 3 Comprises Domestic Purposes Benefits – Sole Parent, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone and Emergency Maintenance Allowances.
- 4 Comprises Sickness Benefits and Sickness Benefits – Hardship.
- 5 Includes clients entitled to a Childcare Subsidy through receiving an Orphan's Benefit or an Unsupported Child's Benefit.

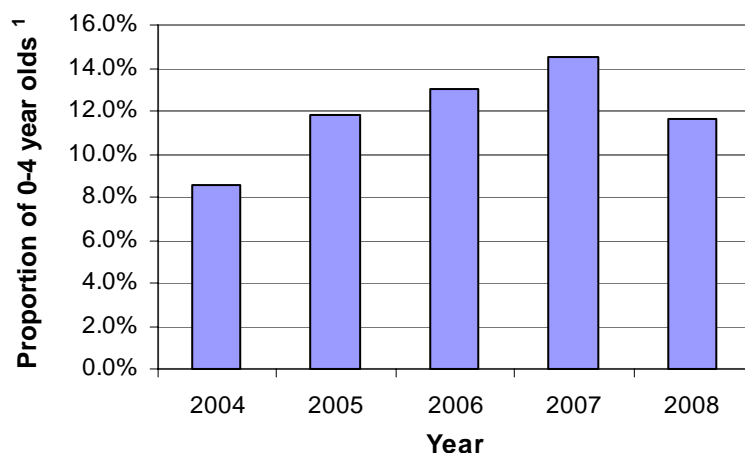
Trends in the proportion of children aged under five years covered by a Childcare Subsidy

The proportion of all children aged under five years in the New Zealand population who were covered by a Childcare Subsidy at the end of June has decreased over the last year, following three years of increases (see figure 4.5).

This pattern reflects the combined impact of:

- widened eligibility of low-income working families for the Subsidy, resulting from the Working for Families package implemented in October 2004
- the introduction of 20 hours free early childhood education from July 2007, which reduced the use of the Subsidy by clients with children receiving 20 hours early childhood education or less per week.

figure 4.5 Trends in the proportion of children aged under five years covered by a Childcare Subsidy



Note

1 Proportion shows:

- number of children aged under five years recorded in SWIFTT as being covered by a Childcare Subsidy at the end of June, divided by
- 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 has decreased in the last year after increasing over the previous three years (see table 4.11). The reduction in the last year reflects the introduction of 20 hours free early childhood education, which reduced demand for the Subsidy among clients with children receiving 20 hours or less early childhood education per week.

Sixty-four percent of the children covered by Childcare Subsidies granted in 2007/2008 had caregivers who were not receiving any pension or main benefit, compared with 26% in 2003/2004. There was a corresponding decrease in the proportion of caregivers receiving carer's benefits (from 64% to 32%) (see table 4.11). Over the last year, the proportion of these children with caregivers in employment increased (from 36% to 43%), while the proportions of caregivers who qualified for the subsidy on grounds of low income decreased (from 42% to 33%) (see table 4.12). These changes reflect the introduction of 20 hours free early childhood education. Because recipients of main benefits are only eligible for up to nine hours subsidy per week per child unless they are in training or undertaking approved work-related activities, most beneficiaries who took up free early

childhood education used it to replace the subsidy. As a result, the proportion of subsidy recipients who were receiving main benefits declined, while the proportion in work increased.

table 4.11 Trends in the types of pension or main benefit paid to caregivers of children covered by Childcare Subsidies granted

Type of pension or main benefit paid to caregiver when Childcare Subsidy granted	Children covered by Childcare Subsidies granted ¹				
	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number
Unemployment-related benefits ²	1,693	1,376	1,178	1,007	569
Carer's benefits ³	24,665	23,019	23,156	21,988	17,369
Sickness-related benefits ⁴	704	832	817	863	621
Invalid's Benefit	858	871	924	892	712
Widow's Benefit	136	111	126	95	103
Emergency Benefit	281	279	271	279	152
New Zealand Superannuation	44	54	65	62	51
Veteran's Pension	0	2	0	1	0
No pension or main benefit ⁵	10,099	24,023	26,565	32,864	34,460
Total	38,480	50,567	53,102	58,051	54,037

Notes

- 1 Numbers of successful applications for Childcare Subsidies recorded in SWIFTT during years ended June.
- 2 Comprises Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people or to trainees, and Independent Youth Benefits.
- 3 Comprises Domestic Purposes Benefits – Sole Parent, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone and Emergency Maintenance Allowances.
- 4 Comprises Sickness Benefits and Sickness Benefits – Hardship.
- 5 Includes clients entitled to a Childcare Subsidy through receiving an Orphan's Benefit or an Unsupported Child's Benefit.

table 4.12 Trends in reasons for granting Childcare Subsidies

Reason Childcare Subsidy granted	Children covered by Childcare Subsidies granted ¹				
	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number
Disabled parent	665	601	681	846	930
Parent in employment	9,172	17,682	17,738	20,768	23,416
Child receiving Child Disability Allowance	1,120	1,448	1,810	2,176	2,232
Sibling receiving Child Disability Allowance	687	842	1,190	1,540	1,592
Sibling in hospital	13	13	10	20	18
Illness or injury	208	179	178	172	194
Parent in training or education	8,762	8,575	8,441	8,025	7,572
Insufficient income	17,852	21,227	23,054	24,504	18,083
Unspecified	1	0	0	0	0
Total	38,480	50,567	53,102	58,051	54,037

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. These 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, and are paid directly to the provider of the childcare.

People 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 if:

- they are in work or study, or
- they or their child have a disability or a serious illness.

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. Hourly rates for the subsidy were raised again from 3 October 2005.

Please note that the information given below shows the number of children covered by an OSCAR Subsidy received and by subsidies granted. This information may therefore differ from other published information showing the number of clients receiving or granted a subsidy for one or more children.

Trends in the number of children covered by an OSCAR Subsidy

The number of children covered by an OSCAR Subsidy has increased rapidly since 2004 (see table 4.13). This reflects the widened eligibility and increased subsidy levels under the Working for Families package (which increased the attractiveness of the subsidy as well as widening eligibility for it).

Eighty-three percent of the children covered by an OSCAR subsidy in 2008 had caregivers who were receiving no pension or main benefit, compared with 52% in 2004. Over this period, the proportion with caregivers receiving a carer's benefit decreased (from 47% to 16%) (see table 4.13). This reflects the widened eligibility of low-income working families under the Working for Families package.

table 4.13 Trends in the types of pension or main benefit paid to caregivers of children covered by an OSCAR Subsidy

Type of pension or main benefit paid to caregiver at the end of June	Children covered by an OSCAR Subsidy ¹				
	2004 Number	2005 Number	2006 Number	2007 Number	2008 Number
Unemployment-related benefits ²	4	5	5	17	12
Carer's benefits ³	990	1,273	1,276	1,352	1,531
Sickness-related benefits ⁴	5	8	7	14	18
Invalid's Benefit	6	10	30	42	59
Widow's Benefit	8	11	13	19	12
Emergency Benefit	3	3	2	3	12
New Zealand Superannuation	1	2	5	4	5
No pension or main benefit ⁵	1,094	2,973	4,308	5,924	7,817
Total	2,111	4,285	5,646	7,375	9,466

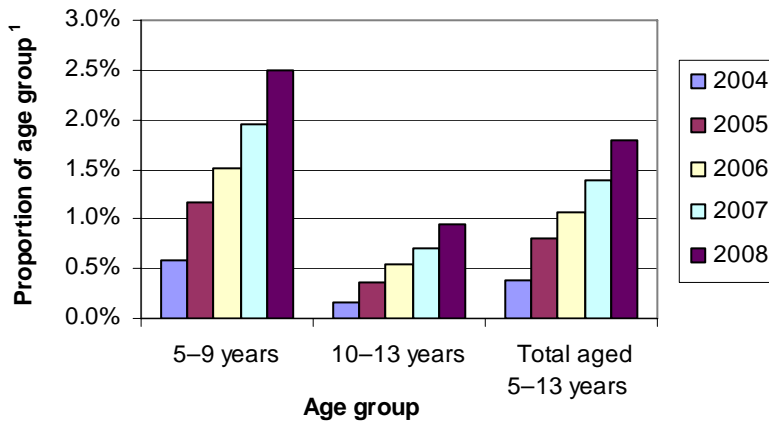
Notes

- 1 Numbers of children recorded in SWIFTT as being covered by an OSCAR Subsidy at the end of June.
- 2 Comprises Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to trainees, and Independent Youth Benefits.
- 3 Comprises Domestic Purposes Benefits – Sole Parent, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone and Emergency Maintenance Allowances.
- 4 Comprises Sickness Benefits and Sickness Benefits – Hardship.
- 5 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

Each year since 2004, the proportion of all children aged 5–13 years in the New Zealand population who were covered by an OSCAR Subsidy at the end of June has increased significantly (see figure 4.6). This reflects the impact of widened eligibility of low-income working families under the Working for Families package. Since 2004, children aged 5–9 years have been more likely than children aged 10–13 years to be covered by a subsidy.

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 SWIFFT 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 SWIFFT data underlying figure 4.6.

Trends in OSCAR Subsidies granted

The number of OSCAR Subsidies granted has increased since 2003/2004 (see table 4.14), reflecting both receipt of subsidies by clients who are in training or employment and the widened eligibility for subsidies since 2004 under the Working for Families package.

Since 2003/2004, there have been increases in the proportions of children covered by OSCAR Subsidies granted whose caregivers were:

- receiving no pension or main benefit (from 45% to 80%) (see table 4.14)
- in employment (from 74% to 85%) (see table 4.15).

table 4.14 Trends in the types of pension or main benefit paid to caregivers of children covered by OSCAR Subsidies granted

Type of pension or main benefit paid to caregivers when OSCAR Subsidy granted	Children covered by OSCAR Subsidies granted ¹				
	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number
Unemployment-related benefits ²	60	58	39	61	54
Carer's benefits ³	5,115	5,775	6,573	6,387	6,684
Sickness-related benefits ⁴	25	33	37	89	125
Invalid's Benefit	55	85	131	244	302
Widow's Benefit	48	61	77	75	80
Emergency Benefit	9	15	10	23	36
New Zealand Superannuation	6	4	12	12	28
No pension or main benefit ⁵	4,385	9,380	14,950	20,730	29,253
Total	9,703	15,411	21,829	27,621	36,562

Notes

- 1 Numbers of successful applications for OSCAR Subsidies recorded in SWIFFT during years ended June.
- 2 Comprises Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to trainees, and Independent Youth Benefits.
- 3 Comprises Domestic Purposes Benefits – Sole Parent, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone and Emergency Maintenance Allowances.
- 4 Comprises Sickness Benefits and Sickness Benefits – Hardship.
- 5 Includes clients entitled to an OSCAR Subsidy through receiving an Orphan's Benefit or an Unsupported Child's Benefit.

table 4.15 Trends in reasons for granting OSCAR Subsidies

Reason OSCAR Subsidy granted	Children covered by OSCAR Subsidies granted ¹				
	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number
Caregiver in employment	7,174	12,347	18,033	23,018	31,208
Caregiver in training or education	2,529	3,064	3,796	4,603	5,354
Total	9,703	15,411	21,829	27,621	36,562

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

Significant increases since 2003/2004 in combined expenditure on Childcare Subsidies and OSCAR Subsidies largely reflect the impacts of the Working for Families package and of the introduction of 20 hours free early childhood education from July 2007. These impacts included:

- widened eligibility for these subsidies since October 2004
- an increase in October 2004 in the hourly rate for both subsidies, which was additional to the regular Consumers Price Index (CPI) adjustment
- an increase in October 2004 in the rate of OSCAR subsidies, which made these rates equivalent to those for Childcare Subsidies
- an increase in October 2005 in the hourly rates of both subsidies, which was additional to the regular CPI adjustment
- increased income thresholds in October 2006 and increased income abatement thresholds in April 2007 (the first was to make 60% of couples with children eligible based on Census 2001 data, and the second to do so based on Census 2006 data)
- substitution of free early childhood education for Childcare Subsidies by clients whose children were receiving Childcare Subsidies for less than 20 hours a week.

Changes between 1995/1996 and 2003/2004 in combined annual expenditure on Childcare Subsidies and OSCAR Subsidies (see table 4.16) reflect:

- annual CPI adjustments to the rate of Childcare Subsidy payments
- the introduction of the OSCAR Subsidy from 1 February 1999
- increases from 1 July 2001 and from 1 July 2003 in the maximum number of hours per week for which subsidies may be paid.

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)
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
2005/2006	111
2006/2007	141
2007/2008	158

Notes

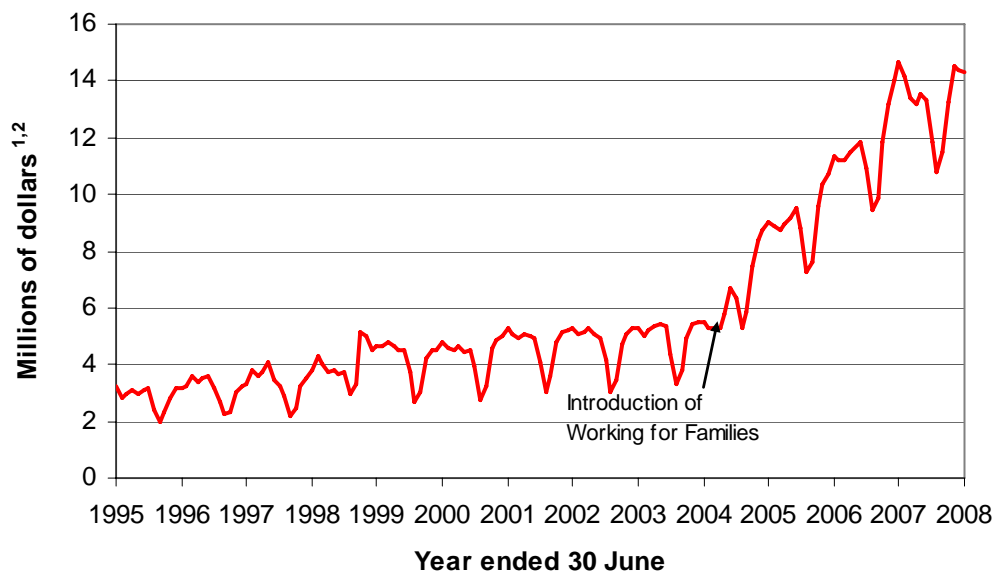
1 Expenditure on Childcare Subsidies and OSCAR Subsidies in years ended June.

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.

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 met or subsidised by other agencies. Income and residency tests apply.

A Disability Allowance is available to people who have:

- a disability that:
 - means they require ongoing help with normal living tasks, ongoing supervision or ongoing treatment from a registered health professional
 - 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 may 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 Veteran's Pension.

This programme preserved the entitlement of these people to assistance equivalent to a Disability Allowance. The programme ceased after income thresholds for a Disability Allowance were increased from April 2001.

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 Disability Allowance recipients, because some clients may be receiving allowance covering more than one member of their household.

The number of people covered by a Disability Allowance has increased over the last three years (see table 4.17). This reflects a combination of:

- increases in numbers of allowance recipients receiving New Zealand Superannuation
- the ongoing nature of the costs faced by people covered by an allowance.

Since 2005, around 51% of the people covered by Disability Allowance, or their caregivers, have been receiving New Zealand Superannuation, while around 24% have been receiving an Invalid's Benefit (see table 4.17).

table 4.17 Trends in the types of pension or main benefit paid to clients covered by a Disability Allowance or paid to their caregivers

Type of pension or main benefit paid to the client or caregiver at the end of June	People covered by a Disability Allowance ¹				
	2004 Number	2005 Number	2006 Number	2007 Number	2008 Number
Unemployment-related benefits ²	5,142	3,372	2,661	1,717	1,301
Carer's benefits ³	23,470	20,103	18,114	16,961	16,930
Sickness-related benefits ⁴	21,744	21,484	21,515	21,235	19,941
Invalid's Benefit	55,531	52,107	52,191	54,923	58,992
Widow's Benefit	2,793	2,464	2,305	2,043	1,937
Emergency Benefit	2,662	2,914	3,274	3,581	3,109
New Zealand Superannuation	111,830	115,736	118,028	119,919	120,029
Veteran's Pension	3,248	3,520	3,777	4,062	4,301
No pension or main benefit ⁵	4,965	5,134	5,855	6,773	7,055
Total	231,385	226,834	227,720	231,214	233,595

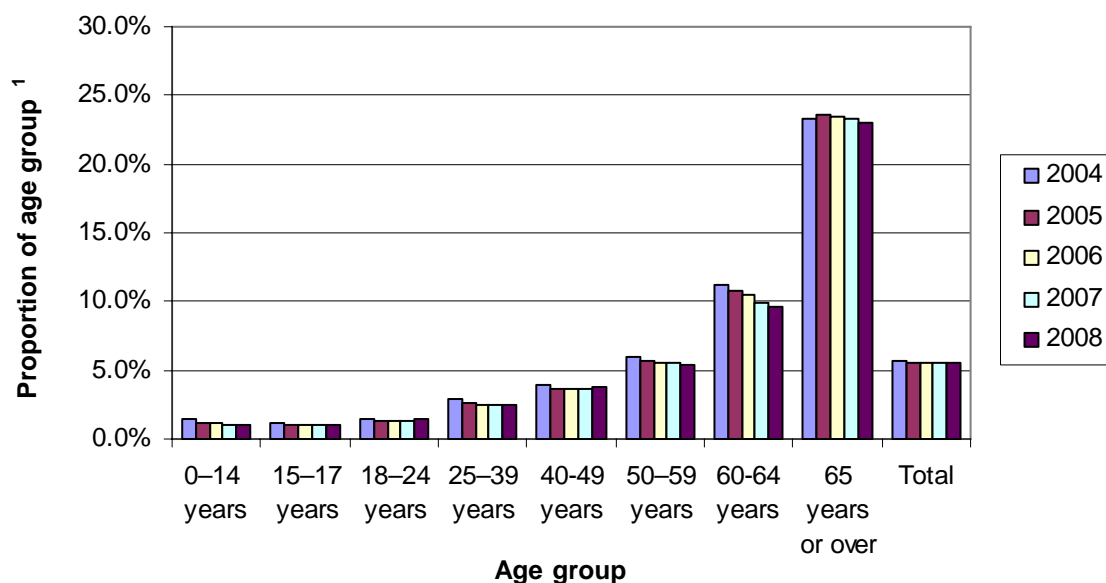
Notes

- 1 Numbers of clients recorded in SWIFTT as being covered by a Disability Allowance at the end of June.
- 2 Comprises Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people or to trainees, and Independent Youth Benefits.
- 3 Comprises Domestic Purposes Benefits – Sole Parent, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone and Emergency Maintenance Allowances.
- 4 Comprises Sickness Benefits and Sickness Benefits – Hardship.
- 5 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

Each year since 2004, around 5% of the New Zealand population have been covered by a Disability Allowance at the end of June (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 an allowance. Throughout this period, people aged 60 years or over have been significantly more likely than younger people to be covered by an allowance, 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:

- a number of people in age group recorded in SWIFTT as being covered by a Disability Allowance 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 A3.18 (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 increased slightly in the last year after remaining relatively stable over the previous two years (see table 4.18). Since 2005/2006, the proportion of clients granted allowances (or their caregivers) who were receiving sickness-related benefits or Invalid's Benefits has increased (from 40% to 55%). There was a corresponding decrease in the proportion of these clients receiving New Zealand Superannuation (from 27% to 24%).

These changes largely reflect patterns in the use of pensions and main benefits.

table 4.18 Trends in the types of pension or main benefit paid to clients covered by Disability Allowances granted or paid to their caregivers

Type of pension or main benefit paid when Disability Allowance granted	Disability Allowances granted ¹				
	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number
Unemployment-related benefits ²	7,687	6,256	5,072	4,133	3,718
Carer's benefits ³	12,033	10,437	9,692	9,169	9,868
Sickness-related benefits ⁴	19,396	19,375	19,180	19,218	19,802
Invalid's Benefit	12,203	11,895	11,663	13,505	14,894
Widow's Benefit	1,133	896	870	671	730
Transitional Retirement Benefit ⁵	496	0	0	0	0
Emergency Benefit	1,569	1,663	1,767	1,727	1,564
New Zealand Superannuation	22,265	21,360	21,086	20,234	18,979
Veteran's Pension	843	916	961	969	1,081
No pension or main benefit ⁶	6,084	6,491	7,133	8,053	8,228
Total	83,709	79,289	77,424	77,679	78,864

Notes

- 1 Numbers of successful applications for Disability Allowances recorded in SWIFTT during years ended June.
- 2 Comprises Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people or to trainees, and Independent Youth Benefits.
- 3 Comprises Domestic Purposes Benefits – Sole Parent, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone and Emergency Maintenance Allowances.
- 4 Comprises Sickness Benefits and Sickness Benefits – Hardship.
- 5 The phasing-out of this benefit was completed 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

Annual expenditure on Disability Allowances has increased over the last two years (see table 4.19) This reflects a return to previous expenditure patterns following the transfer of payments for vocational service fees from Disability Allowances to a non-departmental output class (in 2005/2006). Increases in annual expenditure on these allowances between 1995/1996 and 2004/2005 and between 2005/2006 and 2007/2008 reflect a combination of increases in the numbers of recipients and patterns in the levels of assistance being provided.

The slower increase of expenditure on Disability Allowances in 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.

table 4.19 Trends in annual expenditure on Disability Allowances

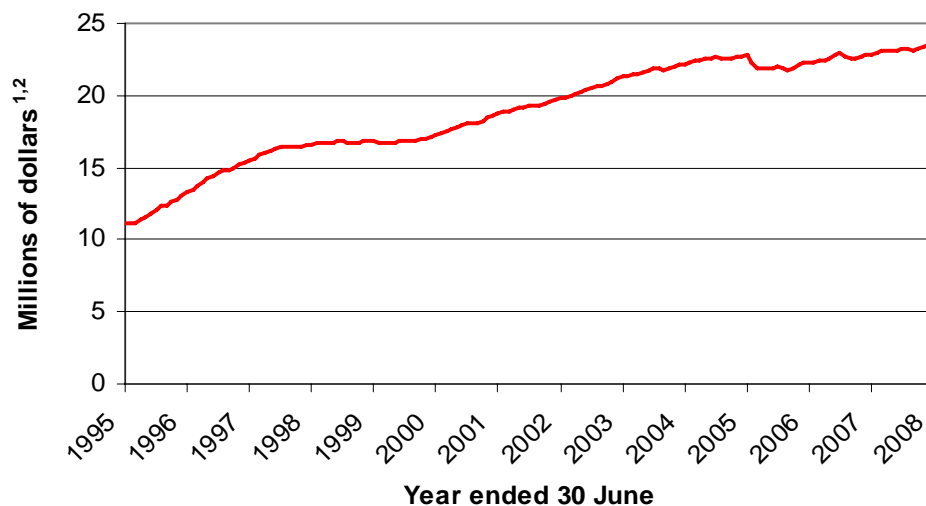
Year ended June	Expenditure on Disability Allowances ^{1,2,3} (\$m)
1995/1996	146
1996/1997	175
1997/1998	195
1998/1999	201
1999/2000	203
2000/2001	217
2001/2002	231
2002/2003	247
2003/2004	261
2004/2005	271
2005/2006	264
2006/2007	272
2007/2008	279

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 short-term drop in monthly expenditure on Disability Allowance in early 2005/2006 reflects the impact of the transfer of payments for vocational service fees from Disability Allowances to a non-departmental output class.

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 principal caregiver of a child who:

- requires constant care and attention because of a physical, psychiatric or intellectual disability
- is likely to need care permanently or for more than 12 months.

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 an allowance must be:

- a dependent child of the carer receiving the allowance
- ordinarily resident in New Zealand.

The allowance is not means tested.

Since 2004, the proportion of children covered by a Child Disability Allowance who were also covered by a Disability Allowance has decreased (from 20% to 15%). 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 an allowance that may cover one or more children.

Increases since 2004 in the number of children covered by a Child Disability Allowance (see table 4.20) reflect increasing numbers of children being granted an allowance and operational changes as well as the long-term nature of the conditions these children have. Enhancements to administration processes were introduced in July 2004 (including annual reviews and reminders that children reaching the age of 16 may be eligible for Invalid's Benefits). This change initially led to an increase in recipients in July and August 2004, but numbers fell subsequently. There was a further policy change from April 2007 which meant that Child Disability Allowance payments are no longer suspended under the annual review process if recipients do not return their annual review form.

Over this period, 83% of children covered by an allowance have been aged under 14 years, including around 23% who were aged under five years (see table 4.20).

table 4.20 Trends in the ages of children covered by a Child Disability Allowance

Age of child at the end of June	Children covered by a Child Disability Allowance ¹				
	2004 Number	2005 Number	2006 Number	2007 Number	2008 Number
0–4 years	7,367	7,581	8,236	8,898	9,865
5–9 years	10,360	11,112	12,201	13,173	14,717
10–13 years	8,469	8,873	9,643	10,420	11,419
14–17 years	5,163	5,378	6,028	6,547	7,052
18–19 years	112	106	98	107	132
20 years or over	0	0	1	0	0
Total	31,471	33,050	36,207	39,145	43,185

Note

1 Numbers of children recorded in SWIFTT as being covered by a Child Disability Allowance at the end of June.

Sixty-three percent of the children covered by a Child Disability Allowance in 2008 had caregivers who were not receiving any pension or main benefit, compared with 57% in 2004 (see table 4.21). There was a corresponding decrease in the proportion with caregivers who were receiving a carer's benefit.

table 4.21 Trends in the types of pension or main benefit paid to caregivers of children covered by a Child Disability Allowance

Type of pension or main benefit paid to caregivers at the end of June	Children covered by a Child Disability Allowance ¹				
	2004 Number	2005 Number	2006 Number	2007 Number	2008 Number
Unemployment-related benefits ²	712	579	501	348	336
Carer's benefits ³	9,940	10,053	10,598	10,950	11,950
Sickness-related benefits ⁴	769	742	831	865	809
Invalid's Benefit	1,606	1,740	1,860	1,995	2,219
Widow's Benefit	161	171	177	174	174
Emergency Benefit	227	209	232	225	158
New Zealand Superannuation	144	152	164	190	227
Veteran's Pension	3	3	3	3	5
No pension or main benefit ⁵	17,909	19,401	21,841	24,395	27,307
Total	31,471	33,050	36,207	39,145	43,185

Notes

1 Numbers of children recorded in SWIFTT as being covered by a Child Disability Allowance at the end of June.

2 Comprises Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to trainees, and Independent Youth Benefits.

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

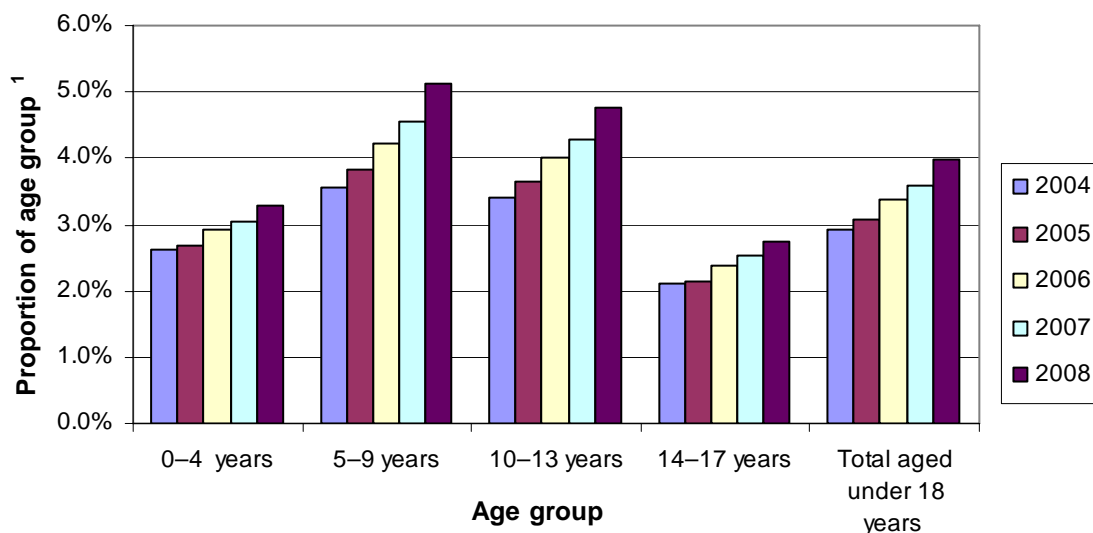
4 Comprises Sickness Benefits and Sickness Benefits – Hardship.

5 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 2004 in the proportion of all children aged under 18 years in the New Zealand population who were covered by a Child Disability Allowance at the end of June each year (see figure 4.10) reflect the long-term nature of the conditions that children eligible for an allowance have. Throughout this period, children aged 5–13 years have been more likely than other children aged under 18 years to be covered by these allowances.

figure 4.10 Trends in the proportion of children aged under 18 years covered by a Child Disability Allowance, by age



Note

1 Proportion shows:

- a number of children in age group recorded in SWIFTT as being covered by a Child Disability Allowance 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 A3.19 (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 2003/2004 (see table 4.22). Fifty-five percent of the children covered by an allowance granted in 2007/2008 had caregivers receiving no pension or main benefit, compared with 46% in 2003/2004. Over the same period, the proportion of these children with caregivers who were receiving carer's benefits decreased (from 40% to 34%).

table 4.22 Trends in the types of pension or main benefit paid to caregivers of children covered by Child Disability Allowances granted

Type of pension or main benefit paid when Child Disability Allowance granted	Child Disability Allowances granted ¹				
	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number
Unemployment-related benefits ²	386	294	238	209	164
Carer's benefits ³	3,512	3,336	3,515	3,490	3,750
Sickness-related benefits ⁴	275	269	326	344	366
Invalid's Benefit	435	382	383	461	496
Widow's Benefit	46	45	42	41	46
Emergency Benefit	88	87	88	89	80
New Zealand Superannuation	40	38	41	47	57
Veteran's Pension	2	0	0	0	1
No pension or main benefit ⁵	4,094	4,670	5,042	5,338	6,067
Total	8,878	9,121	9,675	10,019	11,027

Notes

- 1 Numbers of successful applications for Child Disability Allowances recorded in SWIFTT during years ended June.
- 2 Comprises Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to trainees, and Independent Youth Benefits.
- 3 Comprises Domestic Purposes Benefits – Sole Parent, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone and Emergency Maintenance Allowances.
- 4 Comprises Sickness Benefits and Sickness Benefits – Hardship.
- 5 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 1995/1996 in annual expenditure on Child Disability Allowances (see table 4.23) largely reflect increases in the number of children covered by an allowance.

table 4.23 Trends in annual expenditure on Child Disability Allowances

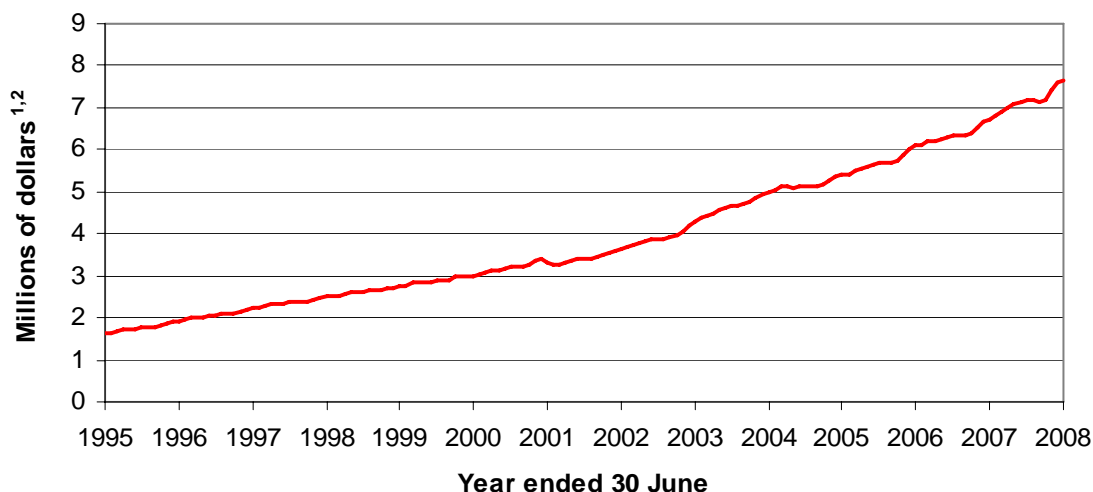
Year ended June	Expenditure on Child Disability Allowances ^{1,2,3} (\$m)
1995/1996	21
1996/1997	25
1997/1998	28
1998/1999	32
1999/2000	35
2000/2001	39
2001/2002	41
2002/2003	47
2003/2004	56
2004/2005	62
2005/2006	69
2006/2007	76
2007/2008	86

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 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. Administrative improvements in July 2004 also lead to a temporary fall in growth, before a new seasonal pattern with growth flattening each January and February established itself.

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 provides non-taxable assistance to people undertaking employment-related training that will:

- enhance and improve their work skills
- improve their prospects of gaining sustainable paid employment.

The allowance is available to people who are receiving a carer's benefit, a Widow's Benefit or an Invalid's Benefit, and contributes toward fees, course costs and associated costs (eg transport, childcare) faced by trainees and students. The allowance may be paid as a lump sum, as an ongoing entitlement or as a combination of the two.

In the 1998 calendar year, a number of changes were made to target allowances, in order to ensure the greatest benefit to recipients. These changes included:

- tightening objectives for an allowance, particularly requiring a greater focus on training for employment
- excluding people who had completed a degree in the last five years
- excluding Training Opportunities Programmes and Work and Income courses
- excluding private establishment courses outside the NZQA accreditation framework.

Since 1999:

- the maximum amount of the allowance has been adjusted on 1 April each year, to reflect the change in the cost of living over the previous 12 months
- the historic requirement that allowances not be paid to people who have completed a degree in the previous five years can be relaxed when applicants intend to undertake employment-related courses that are less than 12 weeks long.

From 1 January 2007, in addition to the above criteria, clients were also required to be involved in a course which:

- attracts Student Achievement Component funding or other government funding, as specified by the Tertiary Education Commission's quality and relevance standards for student loans or allowances, or

- is an explicitly specified course that is considered to meet quality and relevance criteria but which is not Student Achievement Component funded, such as Training Opportunities courses, secondary school courses, or university pre-employment courses.

A Training Incentive Allowance may be used to fund education and training that is included as a goal or activity in an individual's Personal Development and Employment Plan. Personal Development and Employment Plans were introduced on 10 March 2003 for people receiving a Domestic Purposes Benefit or a Widow's Benefit.

Please note that information in the 2007 and 2008 editions of this report on numbers receiving allowances is provided on the basis of calendar years (years ended 31 December). In earlier reports, the information was provided for years ended 30 June. This change reflects the fact that entitlement to an allowance is based on calendar years, and that policies and processes are updated on a calendar year basis. The change aims to ensure that information on allowances most clearly reflects their use and the impact of any changes in the relevant policies or processes.

In addition, information in the 2007 and 2008 editions of this report includes allowances received as a one-off payment (eg to pay for textbooks or course materials), and shows numbers of clients granted one or more allowances. Previous reports excluded allowances received as a one-off payment, and showed numbers of allowances granted rather than numbers of clients granted one or more allowances.

Trends in the number of clients receiving Training Incentive Allowances

The number of clients receiving one or more allowances in a calendar year has decreased over the last four years (see table 4.24). This reflects the impact of both the policy changes outlined above and changes in numbers receiving carer's benefits and Widow's Benefits. Since 2004, the proportion of these clients receiving a carer's benefit has decreased from 86% to 81%, with a corresponding increase in the proportion receiving an Invalid's Benefit.

table 4.24 Trends in the number of clients granted one or more Training Incentive Allowances during years ended December, by types of main benefit received

Type of main benefit received when first Training Incentive Allowance payment in the year was granted	Training Incentive Allowances granted ¹				
	Year ended December 2003	Year ended December 2004	Year ended December 2005	Year ended December 2006	Year ended December 2007
	Number	Number	Number	Number	Number
Carer's benefits ²	19,374	18,650	16,046	13,635	10,695
Invalid's Benefit	2,685	2,740	2,870	2,635	2,261
Widow's Benefit	349	369	299	253	191
Other main benefits	45	25	0	0	0
Total	22,453	21,784	19,215	16,523	13,147

Notes

- 1 Numbers of clients with one or more successful applications for Training Incentive Allowance recorded in SWIFTT during years ended December.
- 2 Comprises Domestic Purposes Benefits – Sole Parent, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone and Emergency Maintenance Allowances.

Trends in expenditure on Training Incentive Allowances

An upward trend between 1999 and 2003 in annual expenditure on Training Incentive Allowances, followed by decreases over the last three years (see table 4.25), reflects a combination of changes in numbers of allowances granted and changes in the rate at which they are paid.

table 4.25 Trends in annual expenditure on Training Incentive Allowances

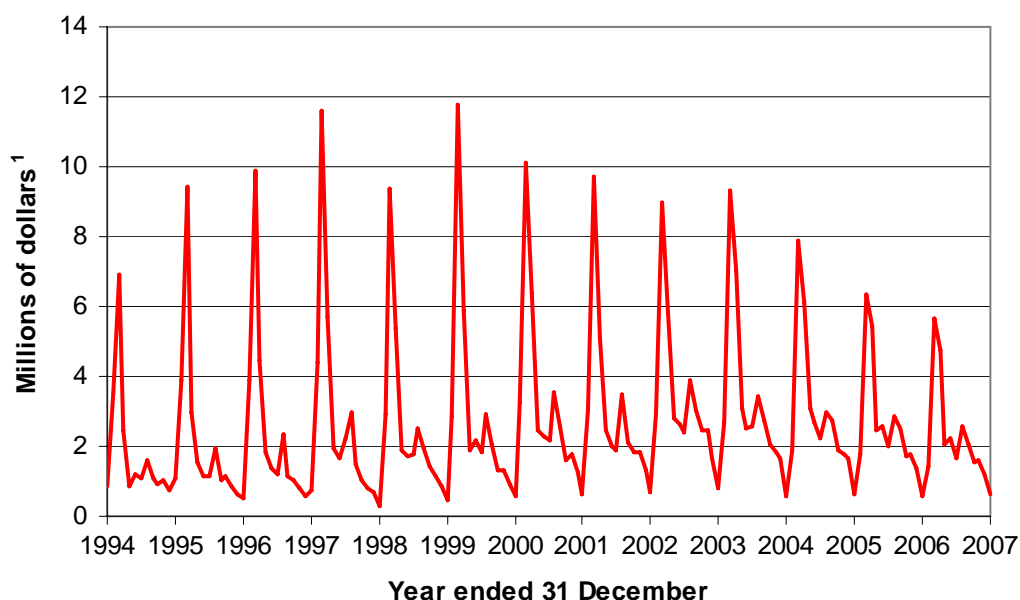
Year ended December	Expenditure on Training Incentive Allowances ^{1,2} (\$m)
1995	22
1996	26
1997	29
1998	35
1999	31
2000	36
2001	38
2002	35
2003	40
2004	40
2005	35
2006	31
2007	27

Notes

- 1 Expenditure on Training Incentive Allowances in years ended December. Please note that reports prior to that for the year ended June 2007 showed expenditure on Training Incentive Allowances in years ended June.
- 2 Expenditure data shown has not been smoothed. Training Incentive 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 to clients.

The strong seasonal pattern evident in expenditure on Training Incentive Allowances (see figure 4.12) arises because most allowance expenditure reflects lump sum payments made at the beginning of the school/academic year to cover tuition fees.

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

The Government, through District Health Boards, subsidises the costs of residential care for older people and for younger people with physical, intellectual or psychiatric disabilities (including drug and alcohol rehabilitation).

The Residential Care Subsidy provides funding for people who have been needs assessed by a District Health Board as requiring long-term or life-long residential care in a hospital or rest home and are receiving care from a service provider contracted by the Ministry of Health. This funding is available for people who:

- have assets assessed as being at or below the relevant threshold
- are aged 65 or over, or are aged 50–64 years with no dependent children.

The Residential Support Subsidy provides funding via District Health Boards for the costs of contracted disability support and residential services for people with physical, intellectual or psychiatric disabilities (including drug and alcohol rehabilitation). This subsidy is not means tested.

MSD's Work and Income service line is responsible for the financial means assessment to determine whether or not a Work and Income client is financially eligible for the Residential Care Subsidy. If a person is financially eligible, Work and Income then determines whether the client can pay for or contribute towards the cost of their care. This assessment of financial eligibility is separate from the District Health Board's assessment, which determines all other aspects of eligibility for the Residential Care Subsidy.

If a Work and Income client is found to be financially eligible for a Residential Care Subsidy or is receiving disability support or residential services via a Residential Support Subsidy, they must contribute any New Zealand Superannuation or other benefit they receive, less a personal allowance, toward the cost of their care.

Please note that information in this section is restricted to clients of Work and Income who:

- have been means assessed by Work and Income as being financially eligible for the Residential Care Subsidy, or
- are receiving disability support or residential services via a Residential Support Subsidy.

Other people who are not Work and Income clients may have these subsidies following assessment by the District Health Board or the health provider. Information in this section therefore should not be read as complete information on all individuals eligible for, or taking up, these subsidies.

The asset threshold for Residential Care Subsidy was significantly raised for the first time on 1 July 2005. The number of Work and Income clients with one of these subsidies being paid towards the cost of their care is expected to increase as the asset thresholds for the subsidy are increased by \$10,000 on 1 July each year.

Trends in the number of Work and Income clients with a Residential Care Subsidy or Residential Support Subsidy being paid toward the costs of their care

The number of Work and Income clients with a Residential Care Subsidy or Residential Support Subsidy being paid toward the cost of their care has remained fairly stable over the last two years, following an increase between 2005 and 2006 (see table 4.26). Since 2006:

- around 66% of these clients have been receiving New Zealand Superannuation, while around 28% have been receiving an Invalid's Benefit (see table 4.26)
- around 51% have been aged 80 years or over (see table 4.27).

table 4.26 Trends in the types of pension or main benefit paid to Work and Income clients with a Residential Care Subsidy or a Residential Support Subsidy

Type of pension or main benefit paid at the end of June	Work and Income clients with a Residential Care Subsidy or Residential Support Subsidy ¹				
	2004 Number	2005 Number	2006 Number	2007 Number	2008 Number
Unemployment-related benefits ²	19	14	5	2	5
Carer's benefits ³	13	14	14	20	14
Sickness-related benefits ⁴	536	519	522	434	434
Invalid's Benefit	7,531	7,706	7,664	7,706	7,811
Widow's Benefit	13	16	15	10	11
Emergency Benefit	165	221	258	271	254
New Zealand Superannuation	14,361	14,119	17,941	17,701	17,799
Veteran's Pension	304	306	450	464	522
No pension or main benefit ⁵	51	56	86	88	97
Total	22,993	22,971	26,955	26,696	26,947

Notes

- 1 Numbers of clients recorded in SWIFTT as having their main benefit or pension (less a personal allowance) paid to a health provider at the end of June under the Residential Support Subsidy scheme or under the Residential Care Subsidy scheme.
- 2 Comprises Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to trainees, and Independent Youth Benefits.
- 3 Comprises Domestic Purposes Benefits – Sole Parent, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone and Emergency Maintenance Allowances.
- 4 Comprises Sickness Benefits and Sickness Benefits – Hardship.
- 5 Includes clients receiving an Orphan's Benefit or an Unsupported Child's Benefit.

table 4.27 Trends in the ages of Work and Income clients with a Residential Care Subsidy or a Residential Support Subsidy

Age of client at the end of June	Work and Income clients with a Residential Care Subsidy or a Residential Support Subsidy ¹				
	2004 Number	2005 Number	2006 Number	2007 Number	2008 Number
Under 18 years	58	70	79	62	66
18–19 years	120	142	155	161	164
20–24 years	561	583	550	516	526
25–29 years	676	656	640	628	630
30–34 years	959	887	863	763	730
35–39 years	1,029	1,050	992	992	998
40–44 years	1,175	1,175	1,132	1,084	1,055
45–49 years	962	1,036	1,118	1,167	1,173
50–54 years	872	929	932	963	1,006
55–59 years	800	815	835	889	910
60–64 years	698	730	753	787	845
65–69 years	906	926	991	1,038	1,050
70–74 years	1,483	1,461	1,564	1,505	1,538
75–79 years	2,392	2,297	2,685	2,593	2,601
80 years or over	10,302	10,214	13,666	13,548	13,655
Total	22,993	22,971	26,955	26,696	26,947

Note

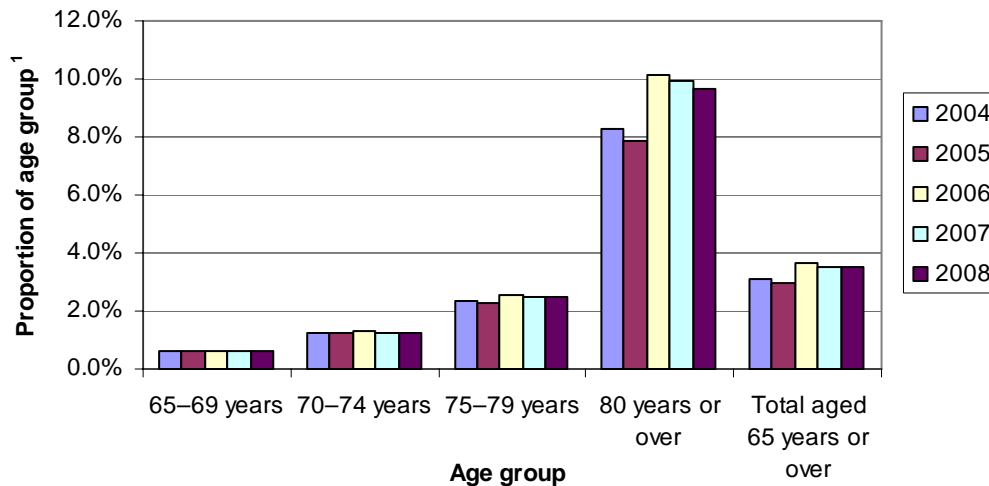
- 1 Numbers of clients recorded in SWIFTT as having their main benefit or pension (less a personal allowance) paid to a health provider at the end of June under the Residential Support Subsidy scheme or under the Residential Care Subsidy scheme.

Trends in the proportion of people aged 65 years or over who are Work and Income clients with a Residential Care Subsidy paid towards the cost of their care

The proportion of all people aged 65 years or over in the New Zealand population who were Work and Income clients with a Residential Care Subsidy at the end of June showed little change in the last two years, after increasing significantly between 2005 and 2006 (see figure 4.13). This increase reflected the increased asset threshold for eligibility for these subsidies, and is particularly evident among people aged 80 years or over (reflecting

the dominance of this age group among users of these subsidies). Throughout this period, the proportion of people in each age group who are Work and Income clients with a subsidy has increased with the increasing age of the clients, reflecting the health and medical impacts of ageing.

figure 4.13 Trends in the proportion of people aged 65 years or over who are Work and Income clients with a Residential Care Subsidy paid towards the cost of their care, by age



Note

1 Proportion shows:

- a number of Work and Income clients in age group recorded in SWIFTT as having their main benefit or pension (less a personal allowance) paid to a health provider at the end of June under the Residential Support Subsidy scheme or under the Residential Care Subsidy scheme, divided by
- b 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 Work and Income clients who are found to be financially eligible for Residential Care Subsidies or take up Residential Support Subsidies

Please note that successful applications to Work and Income for:

- Residential Care Subsidies indicate that the Work and Income assessment showed that clients are financially eligible for a subsidy
- Residential Support Subsidies indicate that a Work and Income client took up a Residential Support Subsidy.

These statistics do not necessarily indicate the number of Work and Income clients who were assessed by District Health Boards as needing long-term or lifetime care in the year shown, or who began to use a subsidy in the year shown.

The annual number of Work and Income clients found to be financially eligible for Residential Care Subsidies or taking up Residential Support Subsidies increased in the last year, after decreasing the year before (see table 4.28).

Between 2006/2007 and 2007/2008, the proportion of these clients who were receiving New Zealand Superannuation decreased from 60% to 53%, with a corresponding rise in the proportion receiving Invalid's Benefit (from 20% to 29%) (see table 4.28).

table 4.28 Trends in the types of pension or main benefit paid to Work and Income clients found to be financially eligible for a Residential Care Subsidy or taking up a Residential Support Subsidy

Type of pension or main benefit paid when financial eligibility for Residential Care Subsidy is established or Residential Support Subsidy is taken up	Number of successful applications for Residential Care Subsidies and Residential Support Subsidies ¹				
	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number
Unemployment-related benefits ²	33	28	16	10	18
Carer's benefits ³	81	99	103	90	97
Sickness-related benefits ⁴	1,751	1,482	1,430	1,559	1,773
Invalid's Benefit	1,703	1,885	1,665	1,967	3,603
Widow's Benefit	11	8	6	2	6
Transitional Retirement Benefit ⁵	2	0	0	0	0
Emergency Benefit	92	124	119	117	85
New Zealand Superannuation	4,922	4,683	9,627	5,932	6,673
Veteran's Pension	140	150	310	238	305
No pension or main benefit ⁶	23	32	60	50	52
Total	8,758	8,491	13,336	9,965	12,612

Notes

- 1 Number of successful applications for Residential Care Subsidies or Residential Support Subsidies recorded in SWIFTT during years ended June. A successful application indicates that the client has been found to be financially eligible for a Residential Care Subsidy or has taken up a Residential Support Subsidy.
- 2 Comprises Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people or to trainees, and Independent Youth Benefits.
- 3 Comprises Domestic Purposes Benefits – Sole Parent, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone and Emergency Maintenance Allowances.
- 4 Comprises Sickness Benefits and Sickness Benefits – Hardship.
- 5 The phasing-out of this benefit was completed on 1 April 2004.
- 6 Includes clients receiving an Orphan's Benefit or an Unsupported Child's Benefit.

Hardship assistance

This consists of:

- Temporary Additional Support or Special Benefit
- hardship assistance paid as lump sums.

Trends in the use of hardship assistance are affected by changes in overall incomes and costs faced by individual families. Since October 2004, the introduction and expansion of the Working for Families package has contributed to a decrease in the utilisation of hardship assistance by families with children.

Since 2004, low-income families receiving Childcare and Out-of-School Care and Recreation (OSCAR) Subsidies have benefited from increases under Working for Families in the rates of these subsidies. Recipients of carer's benefits form a large proportion of those receiving hardship assistance, so increased assistance with childcare costs is likely to be reflected to some extent in decreased use of hardship assistance.

Temporary Additional Support and Special Benefit

Temporary Additional Support

Temporary Additional Support was introduced from 1 April 2006, and is used as a last resort to help clients meet regular essential living costs which can't be met from their income or from other resources. This assistance is available for a maximum of 13 weeks, but may be approved for a shorter period. Clients with an ongoing deficiency of income may reapply after receiving it for 13 weeks.

To receive Temporary Additional Support, clients must be aged 16 years or over and meet asset and residency tests. In addition, clients must:

- ensure that they are receiving all other assistance available to them

- show that they face a deficiency of income after having taken reasonable steps to reduce their costs and increase their income.

Temporary Additional Support is available to cover essential and unavoidable ongoing regular costs, such as:

- purchase of essential household furniture or appliances
- telephone rentals
- repayments for previously purchased vehicles in situations where there is no suitable public transport available and the vehicle is required for employment reasons or because of disability in the family
- employment-related costs (eg childcare, public transport or vehicle costs)
- accommodation costs that are not covered by the Accommodation Supplement
- health and disability costs where costs are not met through the Disability Allowance or where clients or their families are not eligible for the Disability Allowance.

Some of the above items have limits on the number of items which can be purchased using Temporary Additional Support and on the payment amounts made under that programme.

Special Benefit

Prior to 1 April 2006, a Special Benefit could be paid to people receiving main benefits or to other low-income earners. To receive one, clients had to have:

- a deficiency between their ongoing income and their costs
- individual circumstances that warranted receiving a Special Benefit.

From 1 April 2006, Temporary Additional Support replaced new Special Benefits. Special Benefits paid after this date were granted either:

- before 1 April 2006, or
- (after 1 April 2006) to maintain Special Benefit payments to clients who continued to receive a Special Benefit after having had their entitlements to assistance reviewed..

Trends in the number of clients receiving Temporary Additional Support or Special Benefit

The combined number of clients receiving Temporary Additional Support or Special Benefit has increased over the last year following decreases in the previous two years (see table 4.29). The increase over the last year reflects at least in part a combination of:

- increased numbers receiving Invalid's Benefits
- a slowing in the reduction in numbers receiving carer's benefits, whose users are most likely to receive Special Benefits or Temporary Additional Assistance.

Temporary Additional Support accounted for 58% of the combined assistance being paid in 2008, compared with 9% in 2006 (see table 4.29). This reflects the transition towards delivering this assistance to most clients through Temporary Additional Support rather than through Special Benefits.

table 4.29 Trends in the number of clients receiving Temporary Additional Support or a Special Benefit

Type of hardship assistance received at the end of June	Clients receiving Temporary Additional Support or a Special Benefit ¹				
	2004 Number	2005 Number	2006 Number	2007 Number	2008 Number
Temporary Additional Support	0	0	4,555	14,834	24,466
Special Benefits ²	51,451	53,255	44,778	26,085	18,048
Total	51,451	53,255	49,333	40,919	42,514

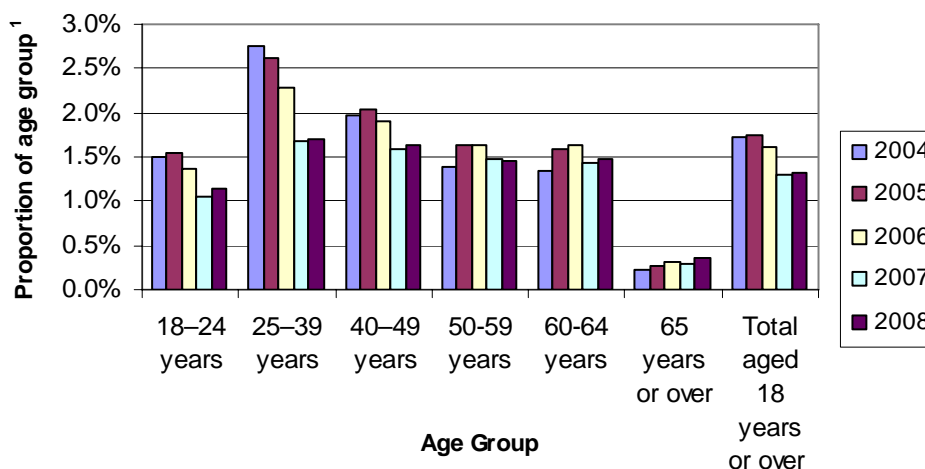
Notes:

- 1 Number of clients recorded in SWIFTT as receiving Temporary Additional Support or Special Benefits at the end of June.
- 2 Special Benefits shown are restricted to ongoing (weekly) Special Benefits, and exclude Special Benefit lump sums.

Trends in the proportion of people aged 18 years or over receiving a Special Benefit or Temporary Additional Support

The proportion of all people aged 18 years or over in the New Zealand population who were receiving a Special Benefit or Temporary Additional Support at the end of June has remained stable over the last year, after decreasing for the previous two years (see figure 4.14). This reflects both decreased numbers receiving carer's benefits and increases in assistance with childcare costs available under Working for Families. Since 2004, the proportion of people aged 25 years or over receiving this assistance has tended to fall with age.

figure 4.14 Trends in the proportion of people aged 18 years or over receiving Temporary Additional Support or 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 or Temporary Additional Support 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 the number of clients granted Temporary Additional Support or Special Benefit

The combined number of clients granted Temporary Additional Support or Special Benefit has increased over the last two years (see table 4.30). Temporary Additional Support accounted for a very large majority of the combined assistance granted over the last two years, reflecting restricted eligibility for Special Benefits from 1 April 2006.

The larger number of Temporary Additional Support grants in the last two years (compared with numbers of Special Benefits granted between 2003/2004 and 2004/2005) (see table 4.30) reflects the shorter period which Temporary Additional Assistance is granted for.

table 4.30 Trends in the number of clients granted Temporary Additional Support or a Special Benefit

Type of hardship assistance granted	Clients granted Temporary Additional Support or a Special Benefit ¹				
	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number
Temporary Additional Support	0	0	5,756	64,210	113,365
Special Benefits ²	72,318	72,690	57,146	7,569	3,911
Total	72,318	72,690	62,902	71,779	117,276

Notes:

- 1 Number of successful applications for Temporary Additional Support and Special Benefits recorded in SWIFTT during years ended June.
- 2 Special Benefits shown are restricted to ongoing (weekly) Special Benefits, and exclude Special Benefit lump sums.

Trends in annual expenditure on Temporary Additional Support and Special Benefits

Decreases over the last three years in combined expenditure on Temporary Additional Support and Special Benefits (see table 4.31) reflect a combination of decreases in the number of clients receiving carer's benefits and increased assistance to low-income families available through Working for Families.

Changes before 2004/2005 in annual expenditure on Special Benefits (see table 4.31) largely reflect changes in the numbers of people receiving a Special Benefit and the rates at which Special Benefits were paid.

table 4.31 Trends in combined annual expenditure on Temporary Additional Support and Special Benefits

Year ended June	Expenditure on Temporary Additional Support and Special Benefits ^{1,2,3} (\$m)
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
2005/2006	160
2006/2007	132
2007/2008	123

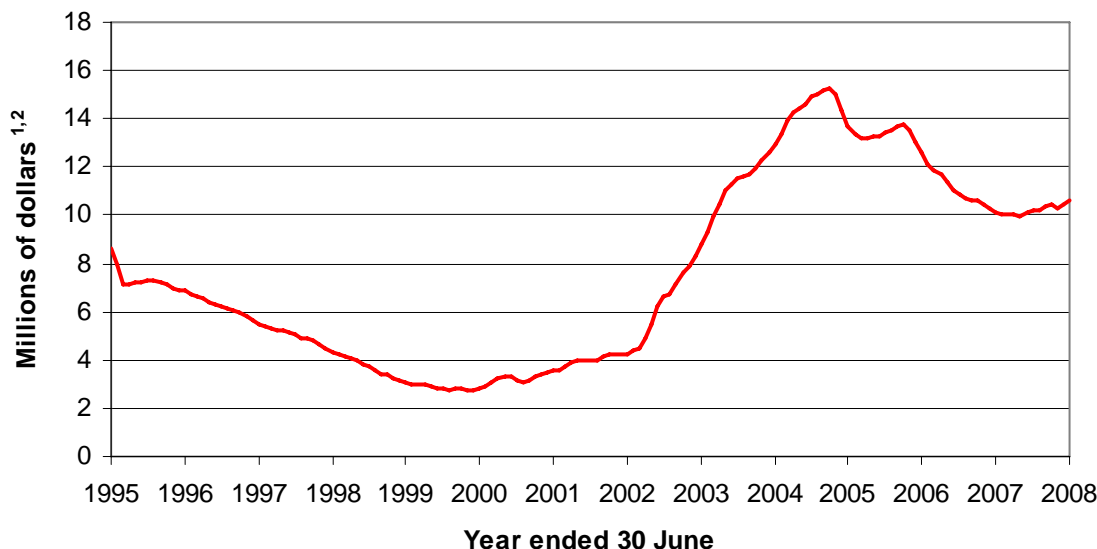
Notes

- 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 Temporary Additional Support and Special Benefits shows little seasonal variation, and tends to follow patterns in the numbers of people receiving this assistance and the rate at which assistance is paid (see figure 4.15). These patterns in turn reflect factors including the numbers of clients receiving carer's benefits, increased

assistance to low-income families available through Working for Families, and the replacement of new Special Benefits with Temporary Additional Support from April 2006.

figure 4.15 Trends in combined monthly expenditure on Special Benefits and Temporary Additional Support



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 and Temporary Additional Support 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.

Trends in the number of clients receiving a Special Benefit

The number of people receiving a Special Benefit has decreased over the last three years (see table 4.32), reflecting a combination of:

- extra income available for low-income households since 1 October 2004 as a result of the Working for Families package
- the replacement of new Special Benefits with Temporary Additional Support from April 2006
- decreased numbers receiving unemployment-related benefits and carer's benefits, whose users were historically most likely to receive Special Benefits.

All Special Benefits paid after 1 April 2006 had either been granted before that date or were granted to people who had received or applied for one immediately prior to that date.

Between 2004 and 2008, there were decreases in the proportions of Special Benefit recipients who were receiving a carer's benefit (from 50% to 39%) or receiving unemployment-related benefits (from 9% to 2%) (see table 4.32). There was a corresponding increase in the proportion receiving Invalid's Benefits (from 18% to 39%). These changes reflected patterns in benefit use.

table 4.32 Trends in the types of pension or main benefit paid to clients receiving a Special Benefit

Type of pension or main benefit paid at the end of June	Clients receiving a Special Benefit ¹				
	2004 Number	2005 Number	2006 Number	2007 Number	2008 Number
Unemployment-related benefits ²	4,514	4,015	2,417	666	265
Carer's benefits ³	25,553	24,600	20,160	11,116	7,075
Sickness-related benefits ⁴	6,536	7,736	6,496	3,270	1,839
Invalid's Benefit	9,280	11,150	10,969	8,328	7,101
Widow's Benefit	741	748	651	417	285
Transitional Retirement Benefit ⁵	0	0	0	0	0
Emergency Benefit	833	839	765	487	251
New Zealand Superannuation	794	1,019	1,127	933	776
Veteran's Pension	2	1	0	0	0
No pension or main benefit ⁶	3,198	3,147	2,193	868	456
Total	51,451	53,255	44,778	26,085	18,048

Notes

- Numbers of clients recorded in SWIFTT as receiving a Special Benefit at the end of June.
- Comprises Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to trainees, and Independent Youth Benefits.
- Comprises Domestic Purposes Benefits – Sole Parent, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone and Emergency Maintenance Allowances.
- Comprises Sickness Benefits and Sickness Benefits – Hardship.
- The phasing-out of this benefit was completed on 1 April 2004.
- Includes clients receiving an Orphan's Benefit or an Unsupported Child's Benefit.

Trends in Special Benefits granted

Over the last two years, around 25% of clients granted a Special Benefit were not receiving any pension or main benefit, while around 20% were receiving a carer's benefit (see table 4.33). Grants of Special Benefits since 1 April 2006 were administrative transactions which maintained Special Benefit payments to clients who continued to receive a Special Benefit after having their entitlements to assistance reviewed.

table 4.33 Trends in the types of pension or main benefit paid to clients granted a Special Benefit

Type of pension or main benefit paid when Special Benefit granted	Special Benefits granted ¹				
	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number
Unemployment-related benefits ²	13,722	13,521	10,549	1,200	412
Carer's benefits ³	29,522	26,203	19,137	1,545	789
Sickness-related benefits ⁴	11,671	13,254	10,939	1,121	501
Invalid's Benefit	7,239	7,725	6,224	1,178	974
Widow's Benefit	785	634	488	56	28
Transitional Retirement Benefit ⁵	36	0	0	0	0
Emergency Benefit	1,309	1,356	1,102	157	44
New Zealand Superannuation	750	905	887	341	242
Veteran's Pension	4	2	4	0	0
No pension or main benefit ⁶	7,280	9,090	7,816	1,971	921
Total	72,318	72,690	57,146	7,569	3,911

Notes

- Numbers of successful applications for Special Benefits recorded in SWIFTT during years ended June.
- Comprises Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to trainees, and Independent Youth Benefits.
- Comprises Domestic Purposes Benefits – Sole Parent, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone and Emergency Maintenance Allowances.
- Comprises Sickness Benefits and Sickness Benefits – Hardship.
- The phasing-out of this benefit was completed on 1 April 2004.
- Includes clients receiving an Orphan's Benefit or an Unsupported Child's Benefit.

Trends in the number of clients receiving Temporary Additional Support

In 2007 and 2008, around 40% of the clients receiving Temporary Additional Support were being paid a carer's benefit, while between 22% and 26% were receiving a sickness-related benefit (see table 4.34).

table 4.34 Trends in the types of pension or main benefit paid to clients receiving Temporary Additional Support

Type of pension or main benefit paid at the end of June	Clients receiving Temporary Additional Support ¹	
	2007 Number	2008 Number
Unemployment-related benefits ²	1,329	1,815
Carer's benefits ³	5,791	10,106
Sickness-related benefits ⁴	3,837	5,472
Invalid's Benefit	2,259	4,182
Widow's Benefit	149	287
Emergency Benefit	246	318
New Zealand Superannuation	312	751
Veteran's Pension	1	0
No pension or main benefit ⁵	910	1,535
Total	14,834	24,466

Notes

- Numbers of clients recorded in SWIFTT as receiving Temporary Additional Support at the end of June.
- Comprises Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to trainees, and Independent Youth Benefits.
- Comprises Domestic Purposes Benefits – Sole Parent, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone and Emergency Maintenance Allowances.
- Comprises Sickness Benefits and Sickness Benefits – Hardship.
- Includes clients receiving an Orphan's Benefit or an Unsupported Child's Benefit.

Trends in the number of clients granted Temporary Additional Support

The number of clients granted Temporary Additional Support has increased over the last year (see table 4.35). This reflects both the role of Temporary Additional Support as the replacement for Special Benefit for most clients and the restricted timeframe for which Temporary Additional Support is paid before requiring review.

Over the last two years, around 35% of clients granted Temporary Additional Support were receiving carer's benefits, while around 24% were receiving sickness-related benefits (see table 4.35).

table 4.35 Trends in the types of pension or main benefit paid to clients granted Temporary Additional Support

Type of pension or main benefit paid when Temporary Additional Support granted	Temporary Additional Support granted ¹	
	2006/2007 Number	2007/2008 Number
Unemployment-related benefits ²	9,617	12,263
Carer's benefits ³	22,490	41,282
Sickness-related benefit ⁴	16,092	27,634
Invalid's Benefit	7,437	16,524
Widow's Benefit	610	1,124
Emergency Benefit	1,230	1,860
New Zealand Superannuation	1,166	2,813
Veteran's Pension	3	3
No pension or main benefit ⁵	5,565	9,862
Total	64,210	113,365

Notes

- Numbers of successful applications for Temporary Additional Support recorded in SWIFTT during years ended June.
- Comprises Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to trainees, and Independent Youth Benefits.
- Comprises Domestic Purposes Benefits – Sole Parent, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone and Emergency Maintenance Allowances.
- Comprises Sickness Benefits and Sickness Benefits – Hardship.
- Includes clients receiving an Orphan's Benefit or an Unsupported Child's Benefit.

Trends in expenditure on Temporary Additional Support

Expenditure on Temporary Additional Support has risen over the last two years (see table 4.36), reflecting the role of Temporary Additional Support as the replacement for Special Benefit. During the last three months of the 2005/2006 financial year, expenditure on this assistance totalled around \$1 million.

table 4.36 Trends in annual expenditure on Temporary Additional Support

Year ended June	Expenditure on Temporary Additional Support ^{1,2,3} (\$m)
2005/2006 ⁴	1
2006/2007	25
2007/2008	52

Notes

- 1 Expenditure on Temporary Additional Support 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.
- 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.
- 4 Refers to the three-month period 1 April - 30 June 2006.

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 or emergency need and who have no other way of paying to meet that need. Most Special Needs Grants are non-recoverable. Recoverable Special Needs Grants have to be repaid to Work and Income.

Special Needs Grants are available both to people who are receiving main benefits and to people who are not. 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 main 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.

This 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 such a payment would best meet the immediate need
- investigate other sources of assistance
- investigate the client's ability to repay the payment.

In order to receive these 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 payment, and the maximum amounts available, vary according to the age and circumstances of the applicant (see table 4.37). In exceptional circumstances, clients may be granted a payment if their cash assets exceed the limit shown in this table.

table 4.37 Income limits, cash asset limits and maximum payments for the Recoverable Assistance Programme (applicable from 1 April 2008)

Client category	Cash asset limit ¹	Income limit ^{1,2}	Maximum payment ^{1,2}
Single person 16–17 years	\$921.08	\$21,877.44	\$1,117.68
Single person 18 years or over	\$921.08	\$25,144.08	\$1,381.14
Married couple with or without children	\$1,534.76	\$36,519.60	\$2,301.96
Sole parent with one child	\$1,534.76	\$30,510.48	\$1,814.40
Sole parent with two or more children	\$1,534.76	\$32,144.32	\$1,814.40

Notes

1 Asset limits, income limits and maximum payments applicable from 1 April 2008.

2 Income limits and maximum payments shown are gross of income tax.

Maximum payments apply under the Recoverable Assistance Programme for a number of purposes. The maximum payments applicable from 1 April 2008 are shown in table 4.38.

table 4.38 Maximum payments from the Recoverable Assistance Programme for specific purposes (applicable from 1 April 2008)

Payment purpose	Status ¹	Maximum Payment ²
Ambulance subscription fees		\$200.00
Attendance at funerals and tangihanga		\$200.00
Beds, chairs and tables		\$200.00
Bonds and rent		\$600.00
Car repairs		\$400.00
Car seats and safety helmets		\$200.00
Clothing	Single client without children	\$150.00
	Married without children	\$300.00
	Single or married with children	\$400.00
Dentures, glasses, contact lenses and hearing aids		\$1,000.00
Drivers licence – renewals	Client aged under 75 years	\$44.30
	Client aged 75–79 years	\$18.30
	Client aged 80 years or over	\$59.30
Drivers licences – new	Learner licence	\$79.00
	Restricted Licence	\$88.20
	Full Licence	\$115.10
Electricity, gas or water		\$200.00
Fire, loss or burglary		\$1,000.00
Other emergency payments		\$200.00
School 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

Notes

1 "Married" includes people who are married, living as married, or in a civil union.

2 Maximum payments shown are applicable from 1 April 2008.

Benefit advances

Advance payments of main benefits enable benefit recipients to meet one-off immediate and essential needs that they can't 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 main benefit received have been available to all recipients of main benefits. At the same date, most recoverable Special Needs Grants provided to people receiving a main benefit were reclassified as benefit advances.

Trends in the use of lump sum hardship assistance

The annual number of payments of lump sum hardship assistance has increased in the last year, following decreases over the previous three years (see table 4.39). This increase was driven by an increase in the use of non-recoverable Special Needs Grants and by a smaller increase in payments under the Recoverable Assistance Programme. This increase reflects the impacts of a combination of slowing decreases in numbers receiving main benefits, and increased use of benefits such as Invalid's and carer's benefits, which may be received for some time.

Since 2003/2004, around 51% of the hardship assistance payments provided have been non-recoverable Special Needs Grants, while around 43% have been benefit advances (which are recoverable) (see table 4.39).

table 4.39 Trends in the types of lump sum hardship assistance payments made

Type of lump sum hardship assistance	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number
Non-recoverable lump sum hardship assistance¹					
Special Needs Grants (non-recoverable)	395,746	384,880	376,537	346,177	362,505
Recoverable lump sum hardship assistance¹					
Special Needs Grants (recoverable)	16,615	16,625	16,854	17,102	19,982
Recoverable Assistance Programme	16,797	21,022	23,347	24,495	28,315
Benefit advances	343,263	339,349	327,147	304,448	299,552
Total recoverable assistance	376,675	376,996	367,348	346,045	347,849
All lump sum hardship assistance¹					
Total	772,421	761,876	743,885	692,222	710,354

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

The combined number of Special Needs Grants and benefit advances has increased over the last year following decreases over the previous three years (see table 4.40). This increase reflects both patterns in use of benefits and increased use of hardship assistance among low-income families. Since 2003/2004, there have been decreases in the proportions of Special Needs Grants and benefit advances paid to recipients of unemployment-related benefits (from 20% to 10%), and a slight decrease in the proportion paid to recipients of carer's benefits (from 42% to 38%). There was a corresponding increase in the proportion paid to people receiving sickness-related benefits or Invalid's Benefits (from 25% to 33%). These changes reflect patterns in benefit use.

table 4.40 Trends in the types of pension or main benefit paid to clients receiving Special Needs Grants or benefit advances

Type of pension or main benefit paid when Special Needs Grant or benefit advance provided	Payments of Special Needs Grants or benefit advances ¹				
	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number
Unemployment-related benefits ²	150,148	120,735	103,373	84,681	64,586
Carer's benefits ³	317,473	310,574	291,412	260,275	260,799
Sickness-related benefits ⁴	86,756	95,567	101,090	100,369	108,693
Invalid's Benefit	101,025	107,346	110,969	107,643	116,242
Widow's Benefit	7,549	7,060	5,928	5,096	5,193
Transitional Retirement Benefit ⁵	243	0	0	0	0
Emergency Benefit	10,445	10,030	10,164	9,460	8,408
New Zealand Superannuation	22,206	23,380	24,126	24,349	26,633
Veteran's Pension	240	327	317	352	335
No pension or main benefit ⁶	59,539	65,835	73,159	75,502	91,150
Total	755,624	740,854	720,538	667,727	682,039

Notes

1 Numbers of Special Needs Grants and benefit advances recorded in SWIFTT in years ended June.

2 Comprises Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to trainees, and Independent Youth Benefits.

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

4 Comprises Sickness Benefits and Sickness Benefits – Hardship.

5 The phasing-out of this benefit was completed on 1 April 2004.

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

The total annual value of Special Needs Grants and benefit advances provided each year has increased in the last year following decreases over the previous three years (see table 4.41). The increase in value of payments over the last year reflects a combination of growth in numbers of payments made and increases in the average payment made which were particularly evident among recipients who were receiving a pension or main benefit.

Since 2003/2004, between 42% and 45% of the annual value of Special Needs Grants and benefit advances has been provided to clients receiving carer's benefits (see table 4.41). Over the same period, the proportion provided to clients receiving sickness-related benefits or Invalid's Benefits has increased (from 24% to 32%), with a corresponding

decrease in the proportion provided to clients receiving unemployment-related benefits. These changes reflect patterns in benefit use.

table 4.41 Trends in the value of Special Needs Grants and benefit advances paid, by the type of pension or main benefit clients were receiving

Type of pension or main benefit paid when Special Needs Grant or benefit advance was provided	Value of Special Needs Grants and benefit advances ^{1,2}				
	2003/2004 Amount (\$000)	2004/2005 Amount (\$000)	2005/2006 Amount (\$000)	2006/2007 Amount (\$000)	2007/2008 Amount (\$000)
Unemployment-related benefits ³	27,529	22,434	19,610	16,487	13,073
Carer's benefits ⁴	67,474	66,749	65,106	61,556	64,476
Sickness-related benefits ⁵	16,345	18,264	19,768	20,518	22,701
Invalid's Benefit	20,484	21,837	23,112	23,219	25,898
Widow's Benefit	1,668	1,565	1,387	1,255	1,272
Transitional Retirement Benefit ⁶	61	0	0	0	0
Emergency Benefit	2,337	2,311	2,318	2,306	2,121
New Zealand Superannuation	6,177	6,423	7,056	7,489	8,536
Veteran's Pension	74	103	100	114	127
No pension or main benefit ⁷	9,292	10,222	11,280	12,018	14,680
Total	151,441	149,908	149,738	144,962	152,885

Notes

- 1 Dollar value of Special Needs Grants and benefit advances recorded in SWIFTT in years ended June.
- 2 Due to rounding, values provided may not add to totals shown.
- 3 Comprises Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to trainees, and Independent Youth Benefits.
- 4 Comprises Domestic Purposes Benefits – Sole Parent, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone and Emergency Maintenance Allowances.
- 5 Comprises Sickness Benefits and Sickness Benefits – Hardship.
- 6 The phasing-out of this benefit was completed on 1 April 2004.
- 7 Includes clients receiving an Orphan's Benefit or an Unsupported Child's Benefit.

Between 40% and 42% of the Special Needs Grants and benefit advances since 2003/2004 have been provided to pay for food, while around 36% have been provided to assist in “other emergency situations” (see table 4.42). Over this period, however, assistance for “other emergency situations” has accounted for between 52% and 54% of the total value of Special Needs Grants and benefit advances each year, while food has accounted for around 18% of this amount. This reflects differences in the level of assistance provided for the respective purposes.

table 4.42 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				
	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number
Advances	9,883	9,398	8,250	7,546	8,040
Disabled Civilian Amputee ²	104	59	77	90	161
Food	302,260	299,739	297,485	272,514	285,460
Funeral Grants	23	27	15	12	17
Health-related assistance	14,955	15,752	14,781	13,727	14,629
Home help payments ²	13	16	15	12	42
Live organ donors (income assistance)	0	13	48	41	80
Medical and associated costs	94,390	89,518	87,361	83,629	82,822
Other emergency situations	274,081	270,154	262,328	245,339	248,273
Payments for goods or services	904	583	403	272	324
People affected by benefit stand downs	2,808	2,651	1,627	1,038	548
Re-establishment accommodation element	612	637	653	658	647
Re-establishment grants	11,077	11,073	11,558	12,036	11,480
Rural sector (including Civil Defence Emergencies)	267	289	9	6	240
Sickness Benefit/Invalid's Benefit assessment travel	220	192	234	179	100
School education costs	36,835	34,287	30,943	27,290	26,158
Special Education Service ³	16	0	0	0	0
Teen payment	0	0	5	0	3
Terminal benefit arrears ²	2565	2,139	770	5	0
Transfer to New Zealand Superannuation	626	592	554	417	166
Urgent house repairs and maintenance	3,978	3,704	3,374	2,883	2,787
Youth transition	7	31	48	33	62
Total	755,624	740,854	720,538	667,727	682,039

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 4.44 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 2003/2004 in the total value of Recoverable Assistance Programme payments made (see table 4.43) reflect increases in both the number of payments made and the average value of payments made.

table 4.43 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				
	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008
Amount (\$000) ¹	\$ 5,375	\$ 6,837	\$ 7,907	\$ 8,909	\$11,024
Number of payments ²	16,797	21,022	23,347	24,495	28,315
Average value per payment (\$)	\$320	\$325	\$339	\$364	\$389

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

Trends in expenditure on Special Needs Grants

Please note that the expenditure data in table 4.44 includes expenditure on recoverable Special Needs Grants that were:

- provided to recipients of main benefits prior to 9 October 1995
- subsequently reclassified as benefit advances.

Expenditure on Special Needs Grants has increased over the last two years, following a slight decrease in the previous year (see table 4.44). The accelerating increase in 2007/2008 reflects a rise in numbers of Special Needs Grants paid, as well as increased rates of payment which also led to the increase in 2006/2007.

Earlier changes in annual expenditure on Special Needs Grants (see table 4.44) reflect:

- increases between 1998/1999 and 1999/2000 in the number of grants provided, including assistance to students awaiting Student Allowances and to 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 prior to the implementation of the Working for Families package in October 2004
- demand for Special Needs Grants for food, which has remained at the levels reached during transition to the year 2000
- increased levels of other assistance to low-income families available since the implementation of Working for Families in October 2004.

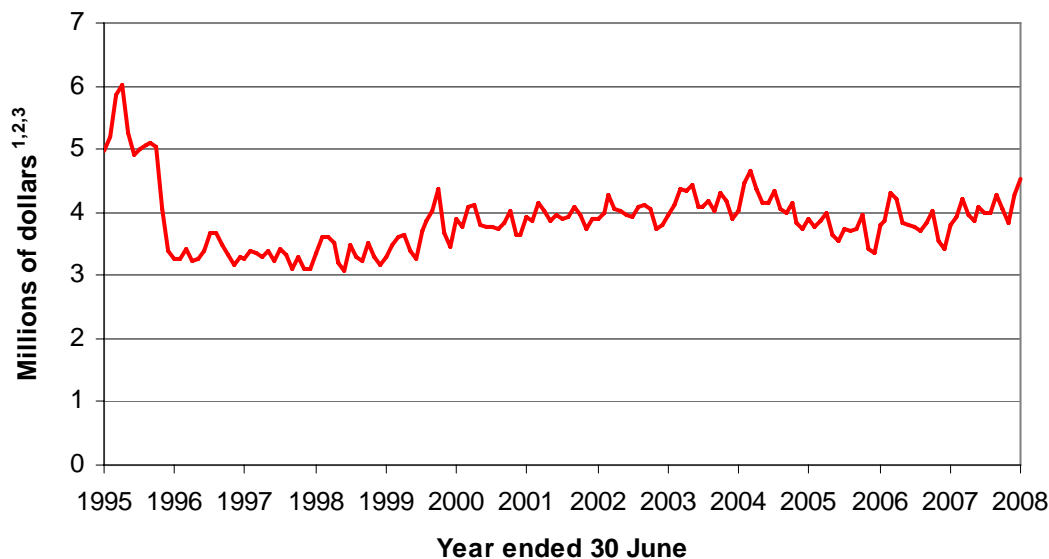
table 4.44 Trends in annual expenditure on Special Needs Grants

Year ended June	Expenditure on Special Needs Grants ^{1,2,3} (\$m)
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
2005/2006	44
2006/2007	46
2007/2008	56

Notes

- 1 Expenditure on recoverable and non-recoverable Special Needs Grants in years ended June. These figures may differ from expenditure on these grants shown in other sources that are restricted to non-recoverable Special Needs Grants.
- 2 Expenditure shown is smoothed using a two-month moving average. Special Needs Grants are not subject to taxation.
- 3 Expenditure data in this table differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

Monthly expenditure on Special Needs Grants shows significant variation (see figure 4.16), reflecting variation in the number of 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

Fluctuations in combined annual expenditure on benefit advances and Recoverable Assistance Programme payments over the last few years (see table 4.45) reflect in part a combination of decreased numbers of benefit advances, increased Recoverable Assistance Programmes, the level of assistance provided to those receiving these payments, and other types of assistance available. Decreases in benefit advances in turn reflect reductions in the number of clients receiving main benefits.

The levels of expenditure on benefit advances and Recoverable Assistance Programme payments during and after 1995/1996 (see table 4.45) reflect at least in part:

- the expanded availability of benefit advances from 9 October 1995
- increases in the numbers of clients receiving New Zealand Superannuation, sickness-related benefits or Invalid's Benefits
- decreases in the number of low-income working families seeking and receiving assistance from Work and Income, particularly following the implementation of the Working for Families package in October 2004.

table 4.45 Trends in annual expenditure on benefit advances and Recoverable Assistance Programme payments

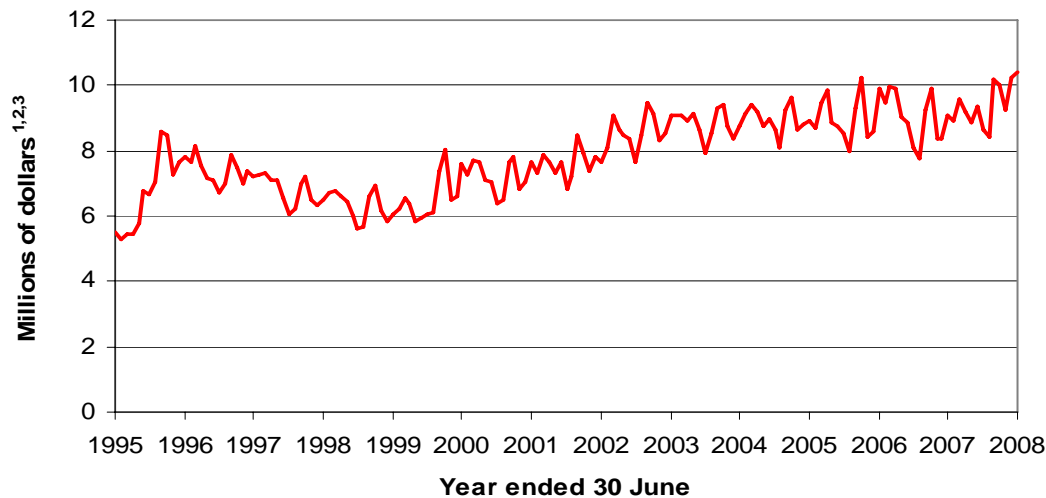
Year ended June	Expenditure on benefit advances and Recoverable Assistance Programme payments (\$m) ^{1,2,3}
1995/1996	82
1996/1997	88
1997/1998	81
1998/1999	75
1999/2000	79
2000/2001	87
2001/2002	91
2002/2003	103
2003/2004	106
2004/2005	107
2005/2006	109
2006/2007	108
2007/2008	113

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 has been 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 a main 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 a main benefit because their Student Allowance will stop for one of the following reasons:
 - the client is no longer a secondary or tertiary student
 - the client is sick, injured or on a break of three weeks or more
 - the client's course of study has ended, 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 main benefit applied for (after tax), less:

- any abatement due to income
- the amount of any other assistance received for ordinary living expenses (eg for food).

Income and asset limits for the Student Allowance Transfer Grant (see table 4.46) depend on the circumstances of the client.

table 4.46 Asset and income limits for Student Allowance Transfer Grants (applicable from 1 April 2008)

Circumstances of client ¹	Income limit ²	Asset limit ³
Married couple, without dependent children	\$360.00	\$1,534.76
Married couple, with dependent children	None	\$1,534.76
Sole parent, with one child	None	\$1,209.40
Sole parent, with two or more children	None	\$1,299.16

Notes

- 1 "Married" includes people who are married, living as married, or in a civil union.
- 2 Income limits (per week before tax) at 1 April 2008.
- 3 Asset limits at 1 April 2008.

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 2003/2004 (see table 4.47) reflecting at least in part decreases in numbers granted main benefits. Almost all of the grants provided since 2003/2004 were provided to students who were transferring from a Student Allowance to an unemployment-related benefit. The overwhelming majority of these students were transferring to an Unemployment Benefit – Student – Hardship.

The use of and expenditure on grants is highly seasonal, with nearly 90% of these grants made between November and January.

table 4.47 Trends in the types of main benefit applied for by clients granted a Student Allowance Transfer Grant

Type of main benefit applied for when Student Allowance Transfer Grant granted	Student Allowance Transfer Grants provided ¹				
	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number
Unemployment-related benefits ²	2,206	1,861	1,454	1,229	1,021
Carer's benefits ³	87	67	64	64	54
Sickness-related benefits ⁴	33	37	29	17	22
Invalid's Benefit	2	0	0	6	1
Widow's Benefit	0	1	0	0	0
Emergency Benefit	4	8	6	5	3
No main benefit ⁵	8	11	4	9	9
Total	2,340	1,985	1,557	1,330	1,110

Notes

- 1 Numbers of Student Allowance Transfer Grants provided in years ended June.
- 2 Comprises Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to trainees, and Independent Youth Benefits.
- 3 Comprises Domestic Purposes Benefits – Sole Parent, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone and Emergency Maintenance Allowances.
- 4 Comprises Sickness Benefits and Sickness Benefits – Hardship.
- 5 Includes clients receiving an Orphan's Benefit or an Unsupported Child's Benefit.

Expenditure on Student Allowance Transfer Grants

Total annual expenditure on Student Allowance Transfer Grants has decreased since 2003/2004, while the average size of each grant has fluctuated (see table 4.48). The decrease in expenditure on these grants reflects reductions in the number of these grants being made. This, in turn is affected by patterns in benefit use, particularly in the number of benefits being granted.

table 4.48 Trends in annual expenditure on Student Allowance Transfer Grants

	Expenditure on Student Allowance Transfer Grants ¹				
	2003/2004 Amount	2004/2005 Amount	2005/2006 Amount	2006/2007 Amount	2007/2008 Amount
Total expenditure (\$000)	573	495	380	327	278
Average value per payment (\$)	\$245	\$249	\$244	\$246	\$251

Notes

1 Expenditure on Student Allowance Transfer Grants recorded in SWIFTT during the year ended June.

Section 5 Services provided by Child, Youth and Family

Summary and History

The Department of Child, Youth and Family was created on 1 October 1999, and focused on supporting families to achieve wellbeing for their children and young people.

On 1 July 2006, the Department joined the Ministry of Social Development (MSD) as the Child, Youth and Family (CYF) service line. The merger allowed closer working with partners in the social sector to improve services to vulnerable children and young people and their families. It also strengthened CYF's whole of Government approach to helping children and young people in need.

The role of CYF is defined by the Children, Young Persons, and Their Families Act (1989, and amended 2005), the Care of Children Act (2004), the Adoption Act (1955), the Adult Adoption Information Act (1983), and the Adoption (Intercountry) Act (1997).

The work of CYF involves a variety of functions:

- social work services to children, young people and their families
- adoption services
- youth justice services
- prevention services covers provision of education and advice services for the prevention of child abuse and neglect, and the promotion of the wellbeing of children, young people and their families. It includes activities to promote and support stronger communities, including public education programmes
- approval and contracting of social and welfare services.

Note on ongoing improvements in data collection, recording and reporting

MSD has recently completed improvements to CYF's client information management system to ensure the more consistent reporting of data. Comparisons of demographic data over several years should be treated with caution due to the significant number of clients with unrecorded demographic details in earlier years.

Children and young people assisted by Child, Youth and Family

Clients are assisted by CYF for a range of reasons, and in response to a variety of needs. Most of these children remain in the care of their families while receiving assistance from CYF, while others will need more intensive interventions and may enter the care of CYF.

Information below on the number of clients assisted by CYF includes children and young people in all of the above situations.

Trends in the number of clients

The number of children and young people who were clients of CYF decreased over the last five years, although this trend has slowed in the last year (see table 5.1). Over this period, nearly half (around 46%) of clients have been aged under 10 years. Over the last three years, around 26% of clients have been aged 14–17 years. Since 2003, clients have been slightly more likely to be male than female.

table 5.1 Trends in the age of Child, Youth and Family clients

Age of client	Number of clients ¹				
	2004 Number	2005 Number	2006 Number	2007 Number	2008 Number
0–1 year	909	944	958	1,092	1,144
1–4 years	5,679	5,276	5,117	5,080	5,356
5–9 years	7,908	7,309	6,913	6,608	6,441
10–13 years	6,592	6,086	5,713	5,496	5,510
14–17 years	7,424	7,207	7,389	7,177	7,168
18 years or over	1,251	1,330	1,490	1,610	1,679
Not recorded	2,120	1,701	1,333	828	264
Total	31,883	29,856	28,912	27,892	27,562

Note:

1 Number of clients of Care and Protection or Youth Justice services as at 30 June.

Prevention Services

Promotion and education services

CYF has a responsibility under the Children, Young Persons, and Their Families Act (1989) to:

- inform and educate the public
- improve the capacity of families to meet their care, control and support responsibilities.

As part of fulfilling this responsibility, CYF produces:

- a variety of brochures and material to promote good parenting and to provide information about the services provided by CYF
- targeted newsletters to provide information and support to specific groups such as providers, caregivers and social workers in schools.

Social work services to children, young people and their families

Notifications

When a concern is expressed to CYF that a child or young person may be at risk of abuse, neglect or insecurity of care, a notification is recorded. CYF also receives notifications when there are concerns regarding a young person's behaviour. Whenever such a report is made, the information is assessed by a social worker to determine whether or not a family/whānau will go on to access CYF services.

This intake process makes sure that sufficient information is gathered to make an initial assessment of the level of risk to the child/young person and to plan an appropriate response or investigation. Once it has been decided that further action by CYF is needed an assessment is made of the urgency with which a response is required.

Trends in the number of care and protection notifications received

The total number of care and protection notifications received by CYF has increased since 2003/2004 (see table 5.2). This highlights New Zealand's increased awareness of the need for care and protection of children and a growing willingness by communities to contact CYF where there are concerns for a child's welfare.

The number of notifications which required further action following an initial investigation has fallen over the last two years after increasing over the previous two years (see table 5.2). The number of notifications that did not require further action is nearly nine times larger than it was five years ago.

table 5.2 Trends in the ages of children and young people identified in care and protection notifications received

Age of child or young person identified in the notification	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number
Notifications requiring further action¹					
0 – 1 year	2,318	2,910	3,502	3,541	3,496
1 – 4 years	8,207	9,945	12,035	11,041	10,403
5 – 9 years	10,192	11,880	13,216	12,469	11,330
10 – 13 years	8,650	9,709	10,113	9,507	8,869
14 – 17 years	5,132	6,199	6,700	6,184	5,612
18 years or over	25	33	37	34	36
Not recorded	826	923	938	1,069	993
Total requiring further action	35,350	41,599	46,541	43,845	40,739
Notifications not requiring further action¹					
Total not requiring further action	5,589	8,889	16,198	28,082	48,722
All care and protection notifications received¹					
Total notifications received	40,939	50,488	62,739	71,927	89,461

Note:

- 1 Number of notifications received during the year ended 30 June. More than one notification recorded in the same year may involve the same child or young person.

Over the last five years, the gender mix of children and young people identified in notifications requiring further action remained almost evenly split between males and females.

Trends in the findings of the investigation of care and protection notifications

Many of the care and protection cases that progress to the investigation stage don't result in findings of abuse or neglect. However, the proportion of investigations where evidence of abuse or neglect was found has risen over the last two years (from 37% in 2005/2006 to 53% in 2007/2008) (see table 5.3).

Of the investigations over the last five years where there has been a finding of abuse or neglect, an increasing proportion have found evidence of emotional abuse – 42% in 2007/2008, compared with 22% in 2003/2004 (see table 5.3). The next most common findings are behavioural or relationship difficulties and neglect. Behavioural or relationship difficulties accounted for 20% of findings in 2007/2008 (compared with 28% in 2003/2004), while neglect accounted for 21% in 2007/2008 (compared with 24% in 2003/2004). With the exception of 2003/2004 the abuse and neglect numbers remained fairly static and the incidence of self harm/suicide has slightly decreased.

table 5.3 Trends in the findings of investigations of care and protection notifications requiring further action^{1,2,3}

Type of finding	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number
Emotionally abused	2,571	4,592	6,142	8,256	8,664
Physically abused	1,864	2,351	2,336	2,274	2,321
Sexually abused	1,149	1,424	1,291	1,194	1,003
Neglected	2,878	4,074	4,199	4,486	4,302
Behavioural/relationship difficulties	3,325	4,355	4,657	4,461	4,154
Self harm/ suicidal	100	173	172	138	116
Not found	15,860	23,388	26,011	22,921	19,334
Total findings from investigations	27,747	40,357	44,808	43,730	39,894

Notes:

- Investigations findings may not give an indication of the number of investigations completed as multiple findings can result from a single investigation.
- Investigation findings relate to investigations completed in that year and may not relate to notifications received in that year.
- Number of investigations may not relate to numbers of children or young people, as there may be more than one investigation related to the same individual in the same year. Numbers of investigations also may not relate to numbers of notifications assessed as requiring further action, as one investigation may address more than one such notification.

Care and Protection Family Group Conferences

The Family Group Conference (FGC) is at the heart of the Child, Young Persons and their Families Act (1989) and recognises that families have the main responsibility for caring for their children and protecting them from harm. At times, though, families may need help. The FGC is a formal legal process that gives families the right and opportunity to make good decisions for the safety and wellbeing of their children.

The aim of the Care and Protection FGC is to develop a plan and recommendations that respond to the care and protection concerns for the child or young person. This ensures how the plan will be followed and monitored through to completion.

Trends in the number of care and protection FGCs held

The total number of care and protection FGCs held has increased over the last year, with growth in both new conferences and reconvened and review conferences (see table 5.4). Increased numbers of conferences reflect the increased emphasis on working with the family/whānau and ensuring they are supported to develop their own solutions to the issues they face.

Over the last year, the proportion of these FGCs which were new conferences has decreased slightly (from 71% to 67%), with a corresponding increase in review conferences (from 18% to 21%) (see table 5.4). Over the same period, around 60% of new conferences have been concerned with children aged less than 10 years, including around 34% concerned with children aged less than five years.

table 5.4 Trends in the ages of children and young people involved in new care and protection FGCs

Age of child or young person when conference held	2006/2007 Number	2007/2008 Number
	Number of new conferences held ^{1,2}	
0–1 year	496	496
1–4 years	1,019	1,191
5–9 years	1,144	1,234
10–13 years	940	1,089
14–17 years	798	830
18 years or over	5	4
Not recorded	23	22
Total new conferences held	4,425	4,866
	Number of other conferences held ^{1,2}	
Reconvened conferences	702	824
Review conferences	1,110	1,552
Total other conferences held	1,812	2,376
	All conferences held ^{1,2}	
Total conferences held	6,237	7,242

Notes:

- 1 Number of conferences held during the years –ended 30 June.
- 2 Number of conferences may not relate to numbers of children or young people, as there may be more than one conference related to a particular individual in the same year.

Over this period, the proportions of new care and protection FGCs concerned with males and with females remained about even.

Care Services

In some situations the assessment and family decision-making will result in a child/young person needing to come into the care of the Chief Executive. This response is reserved for situations whereby the care and protection concerns can't be addressed by working with the family whilst the child or young person remains in their care.

In all situations it is preferable for the placement of the child/young person to be with their family or extended family member. A placement outside the family will only occur when there are no suitable family/whānau, hapu or iwi placements available.

Residential care is an institutional intervention and only used in extreme circumstances. Children and young people are only placed in residential care when it is impossible to have their needs met within the community, and safe contained care is required.

Care services in New Zealand are underpinned by the principles (13, 5 and 6) in Children, Young Persons, and Their Families Act (1989). Relevant principles are :

- children or young people should not be removed from their families unless this is necessary for their safety and protection
- they should be returned home as soon as possible, wherever possible and where safety can be assured.
- preference is given to placement with family, whanau, hapu, iwi and family group.

These principles are expressed in the following statement of aims of CYF policy around the care of children:

We want all children to feel that they belong and are secure in their permanent living arrangement. Wherever possible we need to support their family to care safely for them, and to support their extended whānau to care when children can't live with their parents.

When a child/young person is in the custody of the Chief Executive it's important that we respond to their needs and create an enduring living arrangement for them. This also includes supporting them as they transition out of care and move towards independence.¹⁰

The current focus on care services includes:

- keeping the focus on extended family being the first option for care if children and young people can't live with their parents – thus increasing the percentage of children/young people in care being in family/whānau care
- a strengthening of support services to caregivers
- appropriate support and services to disabled children and young people
- working with Education and Health to strengthen their services to children in care
- permanency for children and young people.

Trends in the number of children and young people in a care and protection placement

The number of children and young people in care decreased slightly over the last year (see table 5.5). Over the last two years, around 43% of children and young people in care have been in a family/whānau placement, and around 35% were placed with CYF caregivers.

¹⁰ CYF Practice centre--Caring for Children Policy

table 5.5 Trends in the placements of children and young people in care

Placement type	Number of children and young people in care ¹	
	2007 Number	2008 Number
CYF bednights	703	667
CYF caregiver placement	1,824	1,523
Family home placement	218	177
Others	78	128
Residential placement - CYF residence	57	45
Family/whanau placement	2,164	1,982
Total	5,044	4,522

Note:

1 Number of children and young people in care as at 30 June.

Over the last two years, around half of the children and young people in care have been under 10 years of age, including around 23% aged less than five years (see table 5.6). Over the same period, slightly more than half (around 53%) of these children and young people have been males.

table 5.6 Trends in the ages of children and young people in care

Age of child or young person	Number of children and young people in care ¹	
	2007 Number	2008 Number
0–1 year	192	161
1–4 years	1,004	897
5–9 years	1,370	1,197
10–13 years	1,248	1,204
14–17 years	1,202	1,044
18 years or over	28	19
Total	5,044	4,522

Note:

1 Number of children and young people in care at 30 June.

Youth Justice Services

Youth Justice FGC's are convened to address offending by children and young people. The FGC is a formal meeting for the young offender, their youth advocate, members of the family group/whanau/hapu/iwi, the enforcement officer and any victims to decide how the young offender can be supported to address their offending and be encouraged to take responsibility for their behaviour. The aim of the FGC is to identify ways in which the young person can be supported and reduce the likelihood of future re-offending. The FGC is the key mechanism through which young people can be diverted from the court system when appropriate.

The FGC process is reserved for young offenders brought to the attention of CYF through Police or Court referrals. The majority of youths apprehended by Police don't become involved in the youth court process and/or FGCs.

Trends in the number of Youth Justice Family Group Conferences held

The number of Youth Justice FGCs held has increased slightly over the last year (see table 5.7). Of the conferences held over the last two years, around 85% were new conferences, around 13% were reconvened conferences, and a small number were review conferences.

Of the new Youth Justice FGCs over the last two years, almost all (97%) have involved 14–17 year olds and around 79% have involved males.

table 5.7 Trends in the number of Youth Justice FGCs held

Age of child or young person when conference held	2006/2007 Number	2007/2008 Number
	Number of new conferences held ^{1,2}	
10–13 years	196	219
14–17 years	7,571	7,723
18 years or over	13	10
Not recorded	23	12
Total new conferences held	7,803	7,964
	Number of other conferences held ^{1,2}	
Reconvened conferences	1,242	1,113
Review conferences	114	119
Total other conferences held	1,356	1,232
	All conferences held ^{1,2}	
Total conferences held	9,159	9,196

Note:

- 1 Number of conferences held in the years ended June.
- 2 Number of conferences may not relate to numbers of children or young people, as there may be more than one conference related to a particular individual in the same year.

Adoption Services

The Adoption Services in CYF are responsible for statutory adoption services.

The Chief Executive of the Ministry of Social Development now takes the responsibility of the Central Authority under the Adoption (Inter-country) Act 1997. Inter-country adoptions by New Zealanders in overseas courts (under section 17 of the Adoption Act 1955) are, however, recorded by the Department of Internal Affairs rather than by CYF Services.

Adoption assessment and placement services

The local and intercountry adoption services include education, preparation and assessment of prospective adoptive applicants, counselling of birth parents, approval of placements, supervision and reporting to the New Zealand Family Court. Post-adoption services for birth and adoptive families are also provided when requested.

Adult adoption information services

CYF's Adoption Services provides information, counselling and mediation to birth parents and adult adopted people who may be seeking access to birth records and/or seeking to make contact with each other.

Section 6 Services to students

Assistance available to students

The Ministry of Social Development (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 individual, 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
- main benefits during study breaks
- supplementary assistance and emergency assistance
- scholarships
- job search assistance during study breaks.¹¹

This report entered production before the end of the 2008 academic year and is therefore restricted to information up to the end of the 2007 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 doesn't act as a barrier to full-time education for students from low and middle socio-economic groups.

Eligibility for a Student Allowance

A Student Allowance is 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. These tests consider the income of the student's spouse (if any), as well as the income of the parents of most childless students 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

¹¹ MSD contracts Student Job Search to provide assistance to tertiary students looking for holiday and in-term employment. Work and Income also assists students in areas where Student Job Search is not available.

- the student is studying more than half of a full-time course and the study will complete a recognised programme.

From 1 January 2007, PhD and professional doctorates were added to the list of Recognised Long Programmes. This provided students undertaking these qualifications with 156 weeks' Student Allowances in addition to the standard 200 weeks available to eligible students over a lifetime.

From 1 April 2007, clients in same sex de facto relationships were treated the same as married, civil union and opposite sex de facto couples who receive assistance from StudyLink.

Students who are eligible for a Student Allowance and who live away from home are entitled to an Accommodation Benefit payable under the Student Allowances Scheme. This is a contribution towards accommodation costs, up to a maximum of \$40 per week or \$60 per week for single students with a child or children.

Payment rates for Student Allowance

A Student Allowance is 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, or with an earning partner in a recognised relationship, a Student Allowance is 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 6.1 shows the maximum net rate at which Student Allowances were paid between 1 April 2007 and 31 March 2008. The annual general adjustment of Student Allowance rates took effect on 1 April 2007. In addition, the parental income threshold applicable to Student Allowances paid to 16–24 year olds was adjusted by the Consumers Price Index.

table 6.1 Maximum payment rates for Student Allowances (effective from 1 April 2007)

Type of Student Allowance	Status	Amount
Single 16–24 years	Away from home	\$148.73
	At home	\$118.98
Single 25+ years	Away from home	\$178.49
	At home	\$142.78
Couple allowance – both students, no children	One eligible	\$178.49
	Both eligible (each)	\$148.73
Couple allowance – dependent spouse, no children		\$297.46
Single student with dependent children		\$255.65
Couples – both students with dependent children	One eligible	\$255.65
	Both eligible (each)	\$148.73
Couples – dependent spouses with dependent children		\$297.46
Students in independent circumstances		\$148.73
Earning spouse	Away from home	\$96.06
	At home	\$64.48

Trends in the number of students receiving a Student Allowance

The number of Student Allowance recipients increased over 2006 and 2007, following decreases between 2003 and 2005 (see table 6.2). The main reason for this decline in the earlier period was that the strength of the economy and the labour market meant that fewer students met the targeting provisions of the allowances scheme. This situation has now stabilised. An increase over the last year in the number of students aged under 25 years receiving Student Allowances may also reflect an increase in the threshold for the parental income test, which must be met for those students to receive a Student Allowance.

table 6.2 Trends in the type of Student Allowances received

Type of Student Allowance received	Students receiving Student Allowances ¹				
	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
Single 16–24 years – targeted away from home	16,349	14,742	17,585	18,842	21,143
Single 16–24 years – targeted at home	10,407	9,555	10,295	11,404	12,703
Single 25+ years – targeted away from home	16,822	16,260	15,011	14,875	14,460
Single 25+ years – targeted at home	2,129	1,977	1,873	1,959	1,987
Couple allowance – both students, no children	876	1,054	149	119	105
Couple allowance – both students ²	0	0	1,328	1,560	1,516
Couple allowance – dependent spouse, no children	1,728	1,722	137	3	5,354
Couple allowance – dependent spouse ²	0	0	4,890	5,449	3
Single student with dependent children	1,846	1,756	1,522	1,541	1,572
Couples – both students with dependent children	748	836	65	1	1
Couples – one student with dependent children ²	0	0	153	176	162
Couples – dependent spouses with dependent children	4,176	4,028	232	9	4
Students in independent circumstances	7,685	7,594	2,437	2,186	2,119
Earning spouse – at home	1,153	1,193	1,045	1,228	1,251
Earning spouse – away from home	117	109	84	79	99
Total	64,036	60,826	56,806	59,431	62,479

Notes

1 Numbers of students recorded as receiving Student Allowances during years ended 31 December.

2 New types of Student Allowances introduced in the year ended 31 December 2005.

Trends in expenditure on Student Allowances

Changes in expenditure on Student Allowances (see table 6.3) largely reflect changes in the number of students receiving Student Allowances.

table 6.3 Trends in annual expenditure on Student Allowances

	Expenditure on Student Allowances ¹				
	2003 Amount	2004 Number	2005 Number	2006 Number	2007 Number
Total expenditure (\$m)	351	341	318	341	358

Note

1 Expenditure on Student Allowances (excluding Accommodation Benefit) during years ended 31 December.

Student Loans¹²

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 recognised by the Tertiary Education Commission for Student Loan purposes and:
 - full-time or approved limited full-time
 - part-time and 32 weeks or longer
 - part-time and less than 32 weeks, with a course load of 0.3 Equivalent Full Time Study (EFTS) or more, or

¹² Further information on use of the Student Loans Scheme is available from the Student Loan Scheme Annual Report published by the Ministry of Education. This report contains information on use of the Student Loan scheme which is supplied by the Ministry of Education, StudyLink and Inland Revenue.

- part-time for part of the year with a course load between 0.25 and 0.3 EFTS.

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. This is because the living cost component of a Student Loan is reduced by the amount of Student Allowance received.

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. People involved in the No Asset Procedure or subject to a Summary Instalment Order are, however, 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 6.4).

table 6.4 Maximum amount available for Student Loans, by component (applicable over the 2007 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 doesn't show the total levels of debt that students have accumulated through the Student Loan Scheme.

The number of students making drawings against Student Loans increased between 2005 and 2007, following a decrease in the previous year (see table 6.5).

Between 2003 and 2007, the proportion of students making drawings against Student Loans who:

- drew a total of less than \$10,000 in the calendar year decreased from 82% to 76% (see table 6.5). Note that this change is very likely to result from normal inflation.
- were receiving a Student Allowance decreased from 33% to 29% (see table 6.6).

The proportion of students making drawings against Student Loans who were attending a university rose from 49% to 53% between 2006 and 2007 (see table 6.7).

table 6.5 Trends in the annual amount per student drawn against Student Loans

Amount drawn against student loan in the year ended 31 December	Students making drawings against Student Loans ¹				
	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
Under \$5,000	70,428	70,233	67,095	68,302	66,813
\$5,000 – \$9,999	57,143	56,975	55,573	61,536	64,962
\$10,000 – \$14,999	26,089	27,539	28,815	33,419	37,567
\$15,000 – \$19,999	1,515	1,507	1,937	2,720	3,149
\$20,000 – \$29,999	407	428	537	905	736
\$30,000 – \$39,999	142	115	153	212	220
\$40,000 – \$49,999	116	89	135	139	133
\$50,000 or over	410	146	166	187	211
Total	156,250	157,032	154,411	167,420	173,791

Note

1 Numbers of students recorded as making drawings against Student Loans during years ended 31 December.

table 6.6 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				
	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
Single 16–24 years – targeted away from home	13,861	12,487	14,989	16,497	18,436
Single 16–24 years – targeted at home	7,362	6,817	7,489	8,868	10,052
Single 25+ years – targeted away from home	13,553	13,084	12,154	12,307	11,899
Single 25+ years – targeted at home	1,555	1,480	1,407	1,521	1,577
Couple allowance – both students, no children	758	917	107	103	78
Couple allowance – both students ²	0	0	1,122	1,326	1,224
Couple allowance – dependent spouse, no children	0	0	3,715	4,045	3,684
Couple allowance – dependent spouse ²	1,320	1,330	63	2	0
Single student with dependent children	1,589	1,449	1,254	1,289	1,227
Couples – both students with dependent children	641	694	34	0	1
Couples – one student with dependent children ²	0	0	136	137	128
Couples – dependent spouse with dependent children	3,259	2,998	96	2	1
Student in independent circumstances	6,648	6,590	1,993	1,915	1,745
Earning spouse – at home	933	953	807	1,012	995
Earning spouse – away from home	99	91	65	67	77
Not receiving any Student Allowance	104,672	108,142	108,980	118,329	122,667
Total	156,250	157,032	154,411	167,420	173,791

Notes

1 Numbers of students recorded as making drawings against Student Loans during years ended 31 December.

2 New allowance types in the year ended 31 December 2005.

table 6.7 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				
	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
College of Education	5,559	5,314	2,483	2,391	0
Polytechnic	41,727	40,013	37,243	39,041	40,415
Private Training Establishment	27,485	28,459	30,633	36,256	35,270
University	73,774	74,671	76,163	82,727	91,402
Wananga	4,559	4,587	4,466	3,544	3,477
Polytechnic and University	929	1,192	1,050	1,043	1,112
Polytechnic and other institution(s) ²	1,124	1,278	1,001	1,029	979
University and other institution(s) ²	846	1,206	1,098	1,160	940
Polytechnic, university and other institution(s) ²	34	51	46	46	49
Miscellaneous combination ²	202	255	226	183	147
Unknown	11	6	2	0	0
Total	156,250	157,032	154,411	167,420	173,791

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 6.7 shows all types of institutions where students were 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 don't add to the total number of students making one or more drawings shown in tables 6.5–6.7 above. This is because most students 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 for each purpose increased in 2007 (see table 6.8), reflecting increases in the total number of students making drawings against Student Loans. These changes may be the result of the removal of interest charges from most student loans from 1 April 2006.

table 6.8 Trends in the number of drawings made against Student Loan components

Student Loan component	Number of students making drawings against Student Loan components				
	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
Course fees	144,678	145,549	143,406	156,236	160,855
Course-related costs	101,664	98,506	94,782	103,553	103,651
Living expenses	79,373	77,507	73,668	80,921	87,175

Note

1 Numbers of students making drawings against Student Loan components during years ended 31 December.

Scholarships

Step Up Scholarships

The Step Up Scholarship Scheme was piloted by StudyLink in 2004, and is aimed at students from low-income backgrounds who are studying approved full-time tertiary degree courses in the area of human or animal health, and science or technology. In 2006, 240 scholarships were awarded to students undertaking animal or human health studies and 122 to students undertaking science and technology studies.

The scholarship helps to pay the compulsory fees for these courses, providing all the terms and conditions of the scheme are met for the length of the qualification. Students are required to make a contribution towards their tuition fees of \$1,000 for human or animal health and \$2,000 for science and technology courses, which can be paid using a Student Loan. There is a bonding requirement for Step Up recipients to stay in New Zealand after graduation. A portion of the scholarship will be required to be repaid if a student doesn't stay in New Zealand for the applicable period.

To be eligible for Step Up Scholarships a student needs to:

- be entitled to, and have applied for or be receiving, a Student Allowance
- have course costs of at least \$3,000
- start each year of study between January and March
- be aged 16–24 for human or animal health study, or have left secondary school within the last two years for science or technology study.

Bonded Merit Scholarships

Bonded Merit Scholarships were available from 1 January 2006. Five hundred Bonded Merit Scholarships were awarded in 2006, which increased to 1,000 in 2007. The scholarship is awarded to second-year full-time tertiary students enrolled in bachelor degree study and recognises top academic achievement. To be eligible, a student must have, and maintain, a B-grade average or higher.

The aim of Bonded Merit Scholarships is to provide an incentive for high-achieving students to remain in New Zealand once they have completed study. The Scholarship will pay \$3,000 each year towards course fees for a maximum of four years. Students who receive the Bonded Merit Scholarship will be required to remain in New Zealand for a period of time after they complete their degree. Students who don't remain in New Zealand for the applicable period are required to repay a portion of the scholarship they received.

Other Scholarships

StudyLink is responsible for administering the payments for the following scholarships: Family and Community Services (FACS) Study Awards, NZQA Monetary Awards¹³, and TeachNZ. Recipients for these scholarships are decided by FACS, New Zealand Qualifications Authority and Ministry of Education respectively.

Main Benefits

StudyLink primarily administers and assesses eligibility for Unemployment Benefits – Student Hardship. This agency also assesses the eligibility for Unemployment Benefit or Emergency Benefit of 16–17 year olds who have been receiving a Student Allowance or have not previously been in full-time study.

Unemployment Benefits – Student Hardship

Unemployment Benefits – Student Hardship are paid weekly to help current and prospective students meet living costs during the study breaks. The amount paid depends on the client's personal situation such as age, living arrangements, income and assets.

To qualify for an Unemployment Benefit – Student Hardship, students needs to be aged 18 or over, aged 16–17 and living with a partner, or aged 16–17 and approved for the Independent Circumstances Allowance administered by StudyLink. In addition, applicants must have either:

- received a Student Allowance during the academic year
- be entitled to receive a Student Allowance during the next academic year, or
- be suffering hardship.

In addition, all applicants for an Unemployment Benefit – Student Hardship are required to:

- meet asset and residency tests
- actively seek full-time work during their study break, and to register with Student Job Search or Work and Income as part of this search.

Supplementary Assistance

The following supplementary assistance is available to students:

- Accommodation Supplement
- Student Allowance Transfer Grant
- Community Services Cards
- Away from Home Allowance
- Training Incentive Allowance
- Working for Families Tax Credits (formally Family Assistance)

¹³ These were known as the Top Scholar Scheme between 2005 and 2007. The Top Scholar Scheme replaced "A" and "B" Bursaries in 2005.

Ministry of Social Development

- Transition to Work Grants
- Disability Allowance
- Child Disability Allowance
- Childcare Subsidy and OSCAR (Out of School Care and Recreation) Subsidy
- Emergency assistance (eg Temporary Additional Support, Special Needs Grants).

Job Search

MSD contracts Student Job Search to provide assistance to tertiary students looking for holiday and in-term employment, and to assist in the administration of the Unemployment Benefit – Student Hardship. Work and Income also assists students in areas where Student Job Search is not available.

Section 7 Additional information

Community Services Cards and SuperGold 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 for after hours and out-of-town doctors' fees as well as access to other health services from public hospitals.

People receiving income support, Veteran's Pensions and the Residential Care Subsidy automatically receive a Community Services Card (and subsequent replacement cards), so they don't have to complete application forms. Many 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. An information sharing agreement with Inland Revenue is used to identify and contact working people with children who receive Family Tax Credits. Eligible families have their cards automatically renewed.

People receiving New Zealand Superannuation must apply for their first Community Services Card. This is because the Community Services Card is income tested for all recipients including those receiving New Zealand Superannuation. Once the first application has been made, card renewal is automatic for more than 80% of people receiving New Zealand Superannuation.

Following the launch of the Primary Health Strategy in 2001, the Ministry of Health introduced Primary Health Organisations (PHOs) from 1 July 2002. Patients enrolled with PHOs don't require a Community Services Card in order to access low fees for doctors' visits and prescriptions. Between 2002 and 2007 low-cost access was rolled out incrementally across New Zealand by age cohorts, starting with children, then seniors, and then working age people.

From 1 July 2007 all PHO enrolees have received low or reduced cost services when they access care from their "home" practice.

The Community Services Card continues to be used for eligible PHO enrolees when they access care away from their home practice and are treated on a casual basis. This occurs in the following situations:

- when patients travel away from home, for example on holiday, or work, including seasonal work or students returning to their home
- when patients need to access urgent medical care from an Accident and Medical centre or other after-hours service provider
- when new patients enrol with a primary health care provider, including those who are changing from one PHO practice to another, many PHO practices treat them as casuals until the next payment quarter when they receive their capitation payment for that patient.

The Community Services Card enables health providers to identify low socio-economic family groups and individuals without further means testing. It is therefore used to target a number of health services and disability support services to high need people when resources are insufficient to enable universal coverage.

The health and disability support services where cards are commonly used to target low income people are:

- Family Planning Association contract - The Ministry of Health contract with the Family Planning Association is funded on the basis of cardholders aged 22 years and over being charged a reduced co-payment of \$5 for a general consultation rather than the \$22.50 co-payment charged to those without a card
- National Travel Assistance – cardholder status is considered in conjunction with travel distance and age to qualify for National Travel Assistance
- Oral health – District Health Boards (DHBs) use the card as a means of targeting emergency dental services (relief of pain and infection) to low-income people. Demand for this service is very high and for many low-income people is their only access to dental care
- Home Help – DHBs and MSD use the card to target access to Home Help for people following a needs assessment by a Needs Assessment and Service Co-ordination agency
- Spectacle Subsidy for children – the Ministry of Health pays up to a maximum of \$250 (GST excl.) per child per year towards the price of spectacles and examinations for children 15 years and under who have a card, or whose families hold a card
- Other health services where some DHBs use cards for targeting purposes. Some DHBs target services to cardholders. Services targeted in this way are post hospital discharge home support, medical alarms, free access to sterilisations, and removal of skin lesions in community settings
- Use of cards by other sectors – the card is used by other government agencies and local government for targeting a number of services including:
 - Healthy Housing intersectoral initiative – this initiative involving a number of Government agencies target households which include one or more cardholders for the provision of retrofitting to provide insulation for warmth
 - Travel assistance for pregnancy termination - Work and Income provides travel assistance to cardholders referred by their primary health care provider for a termination of pregnancy
 - Access to swimming pools – a number of territorial local authorities give cardholders access to swimming pools at reduced rates.

Some private organisations also offer discounts to Community Services Card holders. The number of private organisations which offer discounts is not monitored by either the Ministry of Health or MSD.

Trends in the number of Community Services Cards on issue

The number of Community Services Cards on issue has decreased since 2004 (see table 7.1), reflecting several factors, including:

- the downward trend in the number of people receiving main benefits
- increases in the adult minimum and average ordinary wage rates
- the completed roll-out of PHO funding for Primary Health Services for all age cohorts, which has meant that people only need a card to access subsidies for after hours' and out-of-town doctor's visits
- changes, between 2005 and 2008, to the Working for Families Tax Credit (formerly Family Assistance) eligibility criteria have led to an increase in the numbers of Family Tax Credit recipients holding a card.

Thirty-six percent of people holding Community Services Cards in 2008 were receiving main benefits, compared with 41% in 2004 (see table 7.1). Over this period, around 30% of cardholders have been receiving New Zealand Superannuation or Veteran's Pension.

Between 2005 and 2008, the proportion of cardholders who were receiving a Family Tax Credit increased from 13% to 21%.

table 7.1 Trends in the categories of clients holding Community Services Cards

Category of clients card are issued to	Community Services Cards on issue ¹				
	2004 Number	2005 Number	2006 Number	2007 Number	2008 Number
Low-income earners and students not receiving Student Allowance ²	83,791	75,640	68,055	54,598	43,185
Family Support/Family Tax Credit recipients ³	132,951	130,874	152,782	175,826	189,114
Veteran's Pension recipients	5,389	5,169	6,773	6,822	7,843
Students ²	41,390	43,660	41,817	47,930	36,542
Main benefit recipients ^{4,5}	435,009	409,608	397,666	330,456	330,697
New Zealand Superannuation recipients ⁶	310,133	305,810	301,883	272,171	275,006
Residential Care Subsidy recipients	19,640	19,419	21,022	17,509	16,255
Families not receiving Family Support/Family Tax Credits	24,958	24,260	23,526	18,780	12,425
Total	1,053,261	1,014,440	1,013,524	924,092	911,067

Notes

- Number of Community Services Cards on issue at the end of June. Cards are issued to adults in family units. A family unit can be a single person, or a couple and their dependent children.
- Since June 2003, most students who receive a Student Allowance have had cards automatically issued. Students who are not entitled to Student Allowance must apply as low-income earners.
- Family Tax Credit includes both Group 1 (unabated) and Group 2 (abated) recipients, who have both been subsidised at Group 1 levels since July 1993. This assistance was known as Family Support until 2005.
- "Main benefit recipients" includes students receiving an Unemployment Benefit Student Hardship or an Emergency Benefit.
- The number of people in receipt of a main benefit as at the end of June doesn't 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 main benefits
 - people who ceased receiving main 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 doesn't 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

The number of new Community Services Cards manually issued each year has decreased over the last two years (see table 7.2), reflecting the impact of:

- the completion of funding to PHOs by age cohort, which has reduced the need for patients to hold Community Services Cards
- increases to the adult minimum wage rate with the result that single people who work between 35-40 hours per week for minimum wage are not eligible for Community Services Cards
- increases in the number of automatically renewed cards issued to recipients of Working for Families Tax Credits.

Fifty-four percent of the new cards issued in 2007/2008 were provided to recipients of Working for Families Tax Credits, compared with 35% in 2004/2005 (see table 7.2). There was a decrease in the proportion provided to low-income clients and students (from 43% to 27%). This reflects:

- decreases in numbers of people receiving main benefits
- the ongoing impact of the Working for Families package through:
 - families being made aware of their entitlement to Family Tax Credits and to a Community Services Card
 - increased numbers of families being entitled to Family Tax Credits.

Between 2003/2004 and 2007/2008, the proportion of renewed cards which were provided to recipients of New Zealand Superannuation has increased from 12% to 25%, with a corresponding decrease in the proportion provided to low-income earners and students

(from 77% to 63%) (see table 7.2). This reduction is expected to continue, and reflects several factors including:

- increases to the adult minimum wage rate and ordinary average wage levels which have placed people working 40 hours a week above the threshold for a single person living in shared accommodation
- people in the 26–44 year age group becoming eligible for fully funded services from PHOs from 1 July 2007. From 1 July 2007 all age groups enrolled with PHOs receive full subsidies on primary health services.

table 7.2 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				
	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number
	New cards¹				
Low-income earners and students	50,955	48,672	41,951	34,508	26,378
Family Support/Family Tax Credit recipients ²	39,682	41,331	53,590	60,511	52,926
New Zealand Superannuation recipients	12,755	10,645	13,018	11,226	8,815
Families not receiving Family Support/ Family Tax Credit	16,430	16,481	15,698	14,064	9,627
Total	119,822	117,129	124,257	120,309	97,746
	Renewed cards¹				
Low-income earners and students	48,598	41,097	35,177	30,455	23,384
Family Support/Family Tax Credit recipients ²	–	–	–	–	0
New Zealand Superannuation recipients	7,316	6,970	5,527	3,078	9,380
Families not receiving Family Support/ Family Tax Credit	7,404	6,548	5,979	5,372	4,426
Total	63,318	54,615	46,683	38,905	37,190
	All cards manually issued and renewed¹				
Total (includes issue of renewed cards)	183,140	171,744	170,940	159,214	134,936

Notes

- 1 Numbers of new Community Services Cards manually issued and Community Services Cards renewed in years ended June.
- 2 All cards manually issued to recipients of Family Tax Credits (both new cards and renewals) are coded as new cards each year. There are no manual renewal counts of cards issued to Family Tax Credit recipients because these cards are reissued automatically. Family Tax Credit replaced Family Support in 2005.

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 (e.g. 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
- the completion of funding to PHOs by age cohort, which has reduced the need for patients to hold Community Services Cards.

Expenditure on Community Services Card reimbursements has decreased since 2004 (see table 7.3). This reflects the progressive introduction over this period of subsidies for people enrolled in PHOs as well as the other factors outlined above.

table 7.3 Trends in annual expenditure on Community Services Cards

	Expenditure on Community Services Cards ^{1,2,3}				
	2004 Amount (\$000)	2005 Amount (\$000)	2006 Amount (\$000)	2007 Amount (\$000)	2008 Amount (\$000)
Total	318	227	217	164	93

Notes

- 1 Ministry of Social Development (MSD) expenditure on partial claims against Community Services Cards in years ended 30 June.
- 2 MSD expenditure on Community Services Card subsidies is reimbursed by the Ministry of Health.

3 MSD expenditure on SuperGold Card as well as Community Services Card became effective from August 2007.

SuperGold Cards

Introduction

The SuperGold Card is a discount and concessions card issued to all eligible seniors and veterans in recognition of the contribution they have made, and continue to make to New Zealand society. The SuperGold Card gives access to discounts from a wide range of businesses nationwide, and facilitates easy access to government entitlements and local authority services and concessions.

The SuperGold Card was launched on 29 August 2007. In the first issue 528,762 SuperGold Cards were distributed.

Seniors can also opt to have a photo on their card. This is managed by Unisys and Automobile Association centres around New Zealand. As at 30 June 2008, 9,187 photo SuperGold Cards had been produced.

Eligibility

In order to be eligible for a SuperGold Card a person must be:

- aged 65 years or over and legally and ordinarily resident in New Zealand
- aged under 65 years and receive the Non-Qualified Spouse or Partner rate of New Zealand Superannuation or the Veteran's Pension, or
- aged under 65 years and currently receive the Veteran's Pension.

People who are not legally and ordinarily resident in New Zealand are not eligible to receive a SuperGold Card.

SuperGold Cards which don't include Community Services Card entitlement are valid for three years from the date of issue. The limited valid period is designed to prevent misuse of the cards if they are lost or stolen.

Business Partners

When the SuperGold Card was launched there were 188 business partners providing discounts through 2,215 outlets around the country. As at 30 June 2008 there were 873 business partners and 4,812 outlets.

Combined SuperGold Card and Community Services Card issues

Recipients of New Zealand Superannuation who have tested their eligibility and have been granted a Community Services Card in addition to their SuperGold Card have their CSC details printed on the reverse of their SuperGold Card.

SuperGold Cards that include Community Services Card entitlement generally have an expiry date which is three years from the date of card issue.

When renewing their SuperGold Card, clients with combined Community Services Card and SuperGold Card entitlement must complete an income assessment to ensure that they are still eligible for the Community Services Card.

Numbers of SuperGold Cards on issue

As at June 2008 there were 508,017 current SuperGold Cards on issue. Sixty percent of these cards included an entitlement to a Community Services Card (see table 7.4).

table 7.4 Categories of current SuperGold Card holders

SuperGold Cards with and without Community Services Card inclusion	2007/2008
SuperGold Card with Community Services Card inclusion	304,102
SuperGold Card with no Community Services Card entitlement	203,915
Total SuperGold Cards on issue	508,017

Numbers of SuperGold Cards issued

Nearly 530,000 SuperGold Cards were issued in the 2007/2008 year, with virtually all of these issued automatically at the launch of the card in August 2007. A very small number of cards were manually processed subsequently (see table 7.5).

table 7.5 Number of SuperGold Cards issued

SuperGold Card applications	2007/2008
SuperGold card applications manually processed	1,085
SuperGold Cards automatically issued	528,762
Total SuperGold Cards produced to 30 June 2008	529,847

Notes

1. The number of SuperGold Cards issued at launch differs from the number of current cards as at 30 June 2008. The initial launch included cards which were returned as clients had changed address and had not notified MSD. Other factors included cards produced for clients who died before the official SuperGold Card launch. These cards were intercepted at the factory and subsequently destroyed.

Integrity Services

Benefit Control

Background

Benefit Control provides services to assure the integrity of the benefit system. We have an Intelligence-led approach to benefit fraud and abuse. This means we scan the environment for emerging and threats, use risk profiles to identify areas of vulnerability, and analyse the results of our fraud investigations for future work. This allows us to efficiently and effectively target clients who are most likely to commit benefit fraud and abuse. This approach addresses both the changing patterns of fraud and abuse in the system and emerging threats.

Any deliberate fraud will not be tolerated. In every case we actively recover all overpayments resulting from fraud and abuse, and prosecute clients where there is evidence of deliberate planned and premeditated fraud.

Trends in Benefit Control area cases investigated and overpayments identified

Tackling benefit fraud is an ongoing challenge. Over the last five years, the volume of cases investigated has reduced (see table 7.6), but the nature of many of the cases has become more complex and difficult to prove.

The number of fraud cases involving Domestic Purposes Benefit (DPB) increased slightly between 2004/05 and 2007/08, from 400 to 446, while the number of fraud cases involving Unemployment Benefit went down from 596 to 232 over the same period. This resulted in the proportion of fraud cases involving DPB increasing from 34 percent of prosecuted cases in 2004/05 to 47 percent in 2007/08. The proportion of fraud cases involving

Sickness Benefit clients has also increased. There are a number of causes for these shifts in fraud cases, including changes to income support policy and changes in benefit population demographics.

From 2006/2007 to 2007/2008, the number of overpayments has reduced by 39%, while the value of these cases has reduced by only 20% and the number of completed prosecutions increased by 13% (see table 7.6).

table 7.6 Trends in Benefit Control statistics¹

Financial Year ²	Number of Investigations and Reviews completed	Number of Overpayments established	Value of Overpayments (\$)	Number of Prosecution Cases of Benefit Fraud completed
2003/2004	53,631	9,845	50,048,006	Not Available ³
2004/2005	55,632	8,203	41,455,851	1,306
2005/2006	45,992	7,299	35,757,865	937
2006/2007	39,141	7,084	41,935,634	905
2007/2008	26,736	4,407	33,702,275	1,028

Notes

- 1 Figures include all activities undertaken by Benefit Control and include Benefit and Student Allowance and Loan cases.
- 2 Financial years ended 30 June.
- 3 Until 2004/2005, prosecutions were recorded as those cases referred to legal prosecutors rather than actual court cases. There were 1,720 cases referred for prosecution in 2003/2004.

National Data Match Centre

Background

The National Data Match Centre provides services to minimise errors, fraud and abuse of the benefit system by matching information with the following agencies:

- Inland Revenue
- Department of Corrections
- New Zealand Customs Service
- Department of Internal Affairs (matches with Births, Deaths and Marriages)
- Accident Compensation Corporation (ACC)
- Housing New Zealand Corporation.

Trends in data matching cases investigated and overpayments identified

Data matching activity has increased over the last five years (see table 7.7). Several new data matches have commenced, and some existing data matches have been extended to include students.

The number of data match cases completed has trended upward over the last five years. A peak in 2005/2006 resulted from a focus on processing large numbers of lower value overpayments (see table 7.7). During 2006/07 staff were diverted to process the new Identity Match (a fraud prevention measure which doesn't generate overpayment outcomes). As a result the number of cases completed and overpayments established in other matches in 2006/07 reduced. In 2007/08 numbers increased; this reflects catch up work that was done to ensure cases previously opened were completed within required timeframes. 2008/09 will see data match volumes return to sustainable levels.

table 7.7 Trends in data matching statistics

Financial year ¹	Number of cases completed	Overpayments identified Amount (\$)
2003/2004	36,639	28,981,505
2004/2005	43,139	30,265,125
2005/2006	62,639	29,404,188
2006/2007	39,123	19,012,850
2007/2008	67,838	31,316,452

Notes

1 Financial years ended 30 June.

Balances Owed to the Crown by Clients of MSD**Background**

Clients owe money to MSD primarily as a result of recoverable assistance loans or overpayment of benefit.

A recoverable assistance loan is money loaned to clients to help them meet immediate and essential costs. It is an entitlement and should not be confused with overpayments of benefit. Common reasons for the loans are:

- school uniforms
- accommodation costs
- whiteware purchases
- electricity and gas costs
- car safety seats.

Overpayments occur whenever clients receive financial assistance to which they are not entitled. The majority of overpayments occur as a result of variability in a client's income which reduces their entitlement to benefit.

Trends in Balances Owed

The level of recoverable assistance loaned has trended upwards since 2003/2004 as clients faced rising costs and those in need accessed the extra support they were entitled to (see table 7.8). The value of overpayments has reduced \$12m since 2004/2005 as a result of both reduced benefit numbers and efforts to prevent overpayments, while the value of repayments and write-offs is stable.

table 7.8 Trends in overpayments, recoverable assistance loans, repayments and adjustments, and balances outstanding

Financial year ¹	Opening Balances outstanding at 1 July (\$m)	Overpayments (\$m)	Recoverable Assistance paid (\$m)	Balance reduced by repayments or write-offs (\$m)	Closing Balances outstanding at 30 June (\$m)
2003/2004	766.2	194.5	109.1	-312.7 ²	757.1
2004/2005	757.1	203.8	110.8	-283.4	788.2
2005/2006	788.2	200.4	112.9	-284.8	816.7
2006/2007	816.7	185.7	111.9	-283.0	831.3
2007/2008	831.3	191.8	119.2	-286.9	855.3

Notes

1 Financial years ended 30 June.

2 In June 2002, MSD gained Ministerial approval to write off aged balances where all avenues of recovery had been proven to be exhausted. The final write-off of these cases was completed during the 2003/2004 year.

Trends in clients with balances owed

The number of clients with a balance owing for recoverable assistance loans or overpayments has declined since 2005/2006 (see table 7.9). This is a result of lower benefit numbers and lesser values of overpayments in recent years. The number of clients owing liable parent contribution or maintenance balances continues to decline as these programmes have been defunct for many years. The number of clients with student allowance overpayment balances owed has been maintained at higher levels since 2005/2006. Data matching Student Allowance recipients with Inland Revenue commenced in July 2005 and has enabled a greater level of overpayment to be detected.

table 7.9 Trends in the number of clients with a balance owed, by category

Financial year ¹	Recoverable Assistance Loans or Benefit Overpayments		Other Categories of Balances Owed				Total clients with a balance owed ²
	Current clients ³	Former clients ⁴	Liable Parent Contributions ⁵	Maintenance ⁶	Student ⁷	Employment Training and Assistance ⁸	Total
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	182,082	114,888	8,341	3,025	4,209	101	312,646
2004/2005	185,551	123,931	7,219	2,607	4,208	96	323,612
2005/2006	189,561	126,513	6,430	2,253	10,834	113	335,704
2006/2007	178,496	129,219	5,679	1,977	8,925	99	324,395
2007/2008	181,701	124,832	5,002	1,747	10,616	98	323,996

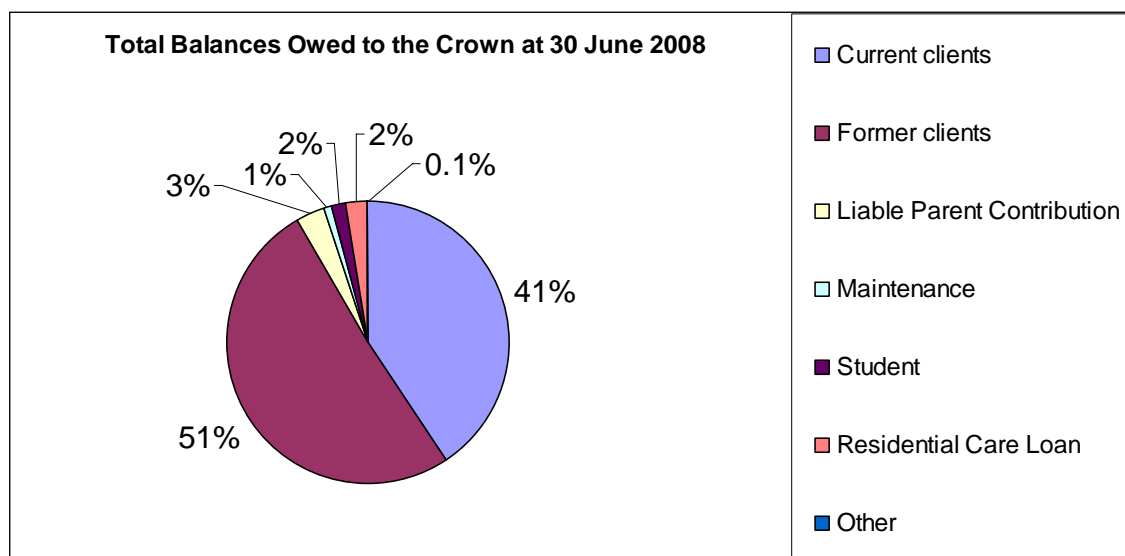
Notes

- 1 Financial years ended 30 June.
- 2 The total number of clients with a balance owed may be overstated because of double-counting where a person has a balance owed in more than one category.
- 3 Clients currently receiving financial assistance from Work and Income who have an outstanding balance of overpayment or recoverable assistance loan.
- 4 Clients no longer receiving financial assistance from Work and Income who have an outstanding balance of overpayment or recoverable assistance loan.
- 5 The Liable Parent Contribution Scheme ended in 1992. This number represents liable parents with arrears of payments.
- 6 Administration of Maintenance Orders and registered agreements ended in 1992. This number represents Crown maintenance clients with arrears of payments.
- 7 Clients with a balance owed as a result of overpayment of Student Allowance or Student Loan that is not transferred to Inland Revenue for collection.
- 8 Clients with balance owed as a result of having received employment-related grants and allowances. An example is Enterprise Allowance which is a temporary subsidy available to clients entering self employment while their business is being established. An overpayment occurs where the terms of the Enterprise Allowance agreement have been breached.

Composition of Balances Owed

Ninety-two percent of the total value owed is recoverable assistance loans or overpayment of benefit owed by both current and former clients (see figure 7.1).

figure 7.1 Total Composition of Balances Owed to the Crown at 30 June 2008



Payment overseas of New Zealand Superannuation, Veteran's Pensions and main benefits

Introduction

There are three main provisions that allow New Zealand Superannuation, Veteran's Pensions and main benefits to be paid to overseas residents:

- social security agreements which allow New Zealand Superannuation, Veteran's Pensions and some main benefits to be paid overseas
- the special portability arrangement for Pacific countries which applies to all 22 Pacific countries and covers New Zealand Superannuation and Veteran's Pension
- the general portability provisions which apply to all countries with which New Zealand doesn't have a social security agreement, or are not covered by the special portability arrangement for Pacific countries, and again covers New Zealand Superannuation and Veteran's Pension.

Current social security agreements

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. An agreement was signed with Italy in June 1998, but it has not yet been ratified by Italy.

People who have come to New Zealand from overseas may qualify for certain New Zealand benefits or pensions under social security agreements because periods of residence or social security contributions in a country with which New Zealand has a social security agreement can be used to meet the residence requirements for New Zealand benefits and pensions. People may also qualify for certain New Zealand benefits and pensions under social security agreements while residing overseas.

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 the Australian benefits or pensions covered by the agreement. Conversely, periods of residence in Australia will assist people coming to live in New Zealand to qualify for New Zealand benefits or pensions covered by the agreement.

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 2007 was NZ\$60.9 million (AUD\$50.9 million).

At the end of June 2008 there were 4,918 people receiving Australian benefits and pensions in New Zealand. At the same date, there were 13,922 people entitled to New Zealand benefits and pensions in Australia. Of these, 11,055 people were entitled to New Zealand Superannuation, while 36 were entitled to Veteran's Pension and 2,831 were entitled to an Invalid's Benefit.

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.

At the end of June 2008, there were 41,359 people whose entitlement to New Zealand Superannuation, Veteran's Pension or a main benefit was affected by a United Kingdom Pension being paid into New Zealand.

The Netherlands

People who have lived in New Zealand 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.

At the end of June 2008, there were 3,324 people receiving Netherlands pensions in New Zealand. At the same date, there were 1,055 people receiving New Zealand benefits and pensions in the Netherlands. Of these, 1,049 people were receiving New Zealand Superannuation, one was receiving an Invalid's Benefit and five were receiving a Widow's Benefit.

The Republic of Ireland

Former New Zealand residents may qualify for New Zealand Superannuation, Veteran's Pension, Invalid's Benefit, Orphan's Benefit, Widow's Benefit or Domestic Purposes Benefit for widowers while they are living in Ireland. The rate of payment is based on whole months of residence in New Zealand since age 20.

People coming to live in New Zealand from the Republic of Ireland may use periods of contributions to the Irish social security scheme as periods of New Zealand residence to assist them to meet the residence criteria for New Zealand income services.

At the end of June 2008, there were 170 people receiving Irish pensions in New Zealand. At the same date, there were 111 people receiving New Zealand Superannuation in the Republic of Ireland.

Greece (the Hellenic Republic)

Former New Zealand residents may 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 Greece. The rate of payment is based on whole years of New Zealand residence since age 20. Orphan's Benefit and funeral grants may also be 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 benefits and pensions 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 the end of June 2008, there were 20 people receiving Greek pensions in New Zealand. At the same date, there were 270 people receiving New Zealand benefits or pensions in Greece. Of these, 266 people were receiving New Zealand Superannuation and four were receiving Invalid's benefit.

Canada

Former New Zealand residents may 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 Canada. 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 benefits and pensions 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 the end of June 2008, there were 795 people receiving Canadian pensions in New Zealand. At the same date, there were 473 people receiving New Zealand benefits or pensions in Canada. Of these, 463 people were receiving New Zealand Superannuation and 10 were receiving Invalid's benefit.

Denmark

Former New Zealand residents may qualify for New Zealand Superannuation, Invalid's Benefit, Widow's Benefit or Domestic Purposes Benefit for widowers while they are living in Denmark. 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 benefits and pensions 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 the end of June 2008, there were 84 people receiving Danish pensions in New Zealand. At the same date, there were 58 people receiving New Zealand benefits or pensions in Denmark. Of these, 56 people were receiving New Zealand Superannuation and two were receiving Invalid's benefit.

Jersey and Guernsey

Former New Zealand residents may qualify for New Zealand Superannuation, Veteran's Pensions, Invalid's Benefit, Widow's Benefit or Domestic Purposes Benefits for widowers while they are living in Jersey or Guernsey. 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 can use those periods of insurance to qualify for New Zealand benefits and pensions 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 the end of June 2008, there were 158 people receiving Jersey and Guernsey pensions in New Zealand. At the same date, there were 62 people receiving New Zealand Superannuation into Jersey and Guernsey.

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 principal destinations are China, India and the United States.

At the end of June 2008, 226 people were receiving pension payments under the general portability provision into 53 countries.

Special portability arrangement for Pacific countries

People leaving New Zealand to reside in one of 22 Pacific countries 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 one of the specified Pacific countries 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 the end of June 2008, New Zealand was paying 539 people in 10 Pacific countries 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 the end of June 2008, 16,716 New Zealanders living overseas were receiving payments of pensions or main benefits from New Zealand. Of these people, 13,825 were receiving New Zealand Superannuation, while 38 were receiving Veteran's Pensions, 2,848 were receiving Invalid's Benefits and five were receiving Widow's Benefits.

The increase in the number of New Zealand Superannuation payments overseas since 2003 is mostly attributable to the number of superannuitants who have moved from New Zealand to Australia.

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 fluctuated over the last two years after increasing between 2003 and 2006 (see table 7.10). Since 2003, the proportion of these clients who were receiving a United Kingdom pension has decreased from 89% to 78%. Clients receiving Australian and Netherlands pensions accounted for most of the corresponding increase.

table 7.10 Trends in the number of Work and Income clients receiving an overseas pension, by country the pension is received from

	Number of Work and Income clients receiving an overseas pension ¹				
	2004 Number	2005 Number	2006 Number	2007 Number	2008 Number
Albania	0	0	0	0	1
Argentina	0	1	1	2	3
Australia	914	2,549	3,960	3,928	4,918
Austria	0	4	6	10	18
Barbados	3	3	3	3	4
Belgium	4	4	8	8	9
Bulgaria	3	4	10	13	23
Canada	306	387	554	647	795
Chile	1	0	0	3	5
China, People's Republic of ²	166	153	131	337	427
Cook Islands	0	0	2	2	4
Croatia	0	1	4	6	6
Czechoslovakia, former state of	2	2	4	5	9
Denmark	62	71	80	80	84
Egypt	1	0	0	1	2
Fiji	45	56	40	90	111
Finland	0	2	1	3	5
France	5	8	14	16	18
French Polynesia	0	2	1	1	1
Germany	87	108	153	171	200
Greece	19	19	12	15	20
Guernsey	49	51	69	78	79
Hong Kong	0	0	1	6	6
Hungary	1	1	3	5	6
India	24	20	26	43	54
Ireland	91	131	168	159	170
Isle of Man	24	26	37	37	40
Israel	1	1	1	1	2
Italy	2	3	4	6	12
Jamaica	0	0	0	0	1
Japan	4	5	14	18	26
Jersey	50	63	80	78	79
Korea, Republic of	0	0	2	5	5
Macedonia	0	0	0	0	4
Malaysia	2	3	13	20	24
Malta	1	1	0	0	0
Marshall Islands	0	1	0	1	1
Netherlands	2,400	2,709	3,027	3,146	3,324
New Caledonia	0	0	1	1	1
Norway	3	3	6	4	10
Peru	0	0	1	1	1
Philippines	20	22	45	53	62
Poland	1	2	4	6	7
Portugal	0	1	1	2	4
Romania	0	0	0	3	8
Samoa, American	0	0	3	3	6
Samoa, Western	0	0	4	5	42
Singapore	2	2	1	1	5
South Africa, Republic of	26	36	14	62	71
Spain	0	0	0	0	1
Sri Lanka	57	53	22	34	51
Sweden	3	2	7	9	20
Switzerland	82	110	138	150	173
Tahiti	1	1	1	1	1
Union of Soviet Socialist Republics, former	13	22	29	31	44
United Kingdom	37,754	40,193	42,521	40,417	41,359
United States of America	98	150	223	274	376
Yugoslavia, former state of	7	9	12	15	18
Zimbabwe	2	2	2	0	0
Total	42,336	46,996	51,464	50,019	52,756

Notes

- 1 Numbers of Work and Income clients recorded as receiving an overseas pension as well as a pension or benefit at the end of June. This table excludes people who are not receiving financial assistance from Work and Income.
- 2 Chinese pensions are not deductible under S.70 of the Social Security Act 1964, but are included in the overall totals shown in table 7.10.

Section 8 Trends since 1940 in use of, and expenditure on, pensions and main benefits

Table 8.1 shows trends since 1940 in the number of clients receiving pensions and main benefits. Table 8.2 shows trends since 1940 in expenditure on these financial services.

Please note that figures given in Table 8.2 include expenditure on supplementary benefits to people who are also receiving the pensions or main benefits indicated, while expenditure data published in other sources may not. In addition, expenditure data in Table 8.2 (from 1996) reflects deductions for debts established and for clients receiving overseas pensions as well as the benefits shown. For these reasons, data in Table 8.2 may differ from expenditure information on benefits and pensions published in other sources.

table 8.1 Historical summary – number of people receiving pensions and main benefits 1940–2008^{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	Carer's benefits ⁷	Widow's Benefit	Unsupported Child's Benefit and Orphan's Benefit	Family Benefit ⁸	Transitional Retirement Benefit ⁹	NZ Super-annuation ¹⁰	Veteran's Pension ¹¹
1940	4,053		2,565	11,811	988		10,174	330	11,053		93,262	
1945	198		4,233	12,205	783		10,965	421	24,251		158,332	
1950	12		4,931	9,476	636		14,198	366	254,920 ⁸		186,512	
1955	19		4,277	8,110	481		12,197	300	298,370		199,236	
1960	312		4,064	8,024	353		13,049	277	343,193		204,036	
1965	208		4,681	7,951	184		14,529	316	376,824		214,659	
1970	983		5,876	8,342	98		15,663	315	408,397		241,772	
1975	2,894		7,830	9,414	45	17,231	16,738	376	452,389		289,348	
1980	20,850		7,504	15,647	21	37,040	16,120	413	460,897		405,834	
1985	38,419		9,627	21,464	11	56,548	13,557	365	455,961		459,813	
1986	42,405		9,517	21,993	10	62,570	13,304	364	455,330		465,079	
1987	63,922		11,116	23,087	10	69,146	13,019	496	450,072		473,401	
1988	86,782		13,132	24,379	9	74,862	12,862	1,537	436,066		479,985	
1989	123,565		16,021	26,260	7	85,615	13,026	2,993	437,287		485,962	
1990	149,078		19,511	27,824	6	94,823	12,676	5,239	446,373		495,500	3,428
1991	158,204	2,538	20,147	30,746	3	97,000	10,989	2,931			506,047	3,130
1992	174,542	3,682	24,093	31,831	1	96,722	9,873	3,135			504,561	5,393
1993	176,872	4,364	28,729	34,957		96,335	10,259	3,539			488,893	6,117
1994	166,703	3,313	31,535	37,030		100,256	9,012	4,093		6,540	477,400	6,278
1995	148,161	2,891	34,037	39,686		104,027	9,007	4,280		7,327	469,239	6,380
1996	142,539	3,020	33,332	42,423		108,790	9,043	4,655		7,832	481,565	6,687
1997	149,058	2,755	34,194	46,160		112,283	9,132	4,833		7,953	474,451	7,176
1998	158,412	2,867	35,291	49,468		113,329	9,372	5,078		8,151	469,307	7,277
1999	165,722	3,481	33,022	51,173		109,516	9,178	5,383		8,743	461,137	7,334
2000	155,594	3,566	32,294	55,392		108,939	9,104	5,799		8,856	453,401	7,248
2001	141,214	3,635	33,620	59,812		107,821	8,900	6,075		9,012	446,706	7,425
2002	126,934	2,998	36,380	64,529		108,009	8,774	6,332		5,118	450,435	7,587
2003	113,495	2,702	39,902	68,507		109,295	8,659	6,789		2,110	457,278	7,872
2004	83,425	2,287	44,128	72,342		109,526	8,413	7,051			464,624	8,465
2005	64,811	2,011	45,646	74,796		106,330	7,795	7,279			475,215	8,871
2006	55,448	1,676	47,559	77,046		102,331	7,181	7,502			488,825	9,472
2007	39,029	1,294	48,587	79,077		97,111	6,471	7,587			502,717	10,065
2008	32,683	1,242	46,710	85,197		97,157	5,983	7,773			514,276	10,736

Notes

- 1 An historical summary of the number of people receiving pensions or main 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 main 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 main 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 – Student Hardship. From 1 October 1998 until 30 June 2001, the main benefit in this group was known as a Community Wage – Job Seeker, and from 1 July 2001, it has been known as an Unemployment Benefit.
- 5 Includes Job Search Allowance from 1996 to 1998.
- 6 Includes Sickness Benefits and Sickness Benefits – Hardship.
- 7 Includes Domestic Purposes Benefits – Sole Parent, 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 8.2 **Historical summary – expenditure on pensions and main benefits 1940–2008**
 (\$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	Carer's benefits ¹⁰	Widow's Benefit	Unsupported Child's Benefit and Orphan's Benefit	Family Benefit ¹¹	Transitional Retirement Benefit ¹²	NZ Super-annuation ¹³	Veteran's Pensions ¹⁴
1940	869		418	1,884	185		1,572	30	505		13,036	
1945	56		704	2,145	149		1,971	47	2,810		18,974	
1950	21		2,017	2,795	240		4,320	62	29,702		34,627	
1955	11		2,554	3,233	257		5,329	58	36,358		58,002	
1960	380		3,439	4,237	226		7,832	79	63,584		85,502	
1965	197		3,914	4,830	153		10,215	110	65,925		110,314	
1970	1,465		6,073	6,093	99		13,742	150	73,318		155,822	
1975	5,155		15,887	13,665	84	30,156	27,967	381	153,175		365,803	
1980	66,077		33,236	40,924	76	169,449	53,342	778	220,854		1,334,115	
1985	274,689		72,550	105,724	72	460,385	78,495	1,004	284,167		2,743,512	
1986	290,462		91,762	133,287	76	603,878	89,338	1,281	281,957		3,341,211	
1987	459,685		124,292	159,823	74	709,568	94,732	1,700	273,248		3,650,165	
1988	672,694		159,850	196,051	69	808,787	104,170	6,174	290,556		3,986,544	
1989	987,275		197,745	226,304	72	962,871	106,062	14,074	258,445		4,314,259	
1990	1,291,516		229,568	260,751	68	1,136,718	114,888	24,742	284,444		4,774,676	1,147
1991	1,483,324		248,672	289,212	39	1,207,856	106,070	20,697	222,996		5,173,859	29,639
1992	1,519,794	25,605	239,415	348,810	14	1,161,191	85,468	15,080			5,514,482	33,331
1993	1,638,905	28,640	284,597	372,786		1,159,737	84,977	16,473			5,315,899	47,793
1994	1,591,047	26,263	329,995	422,324		1,228,054	86,665	19,185	17,385	5,102,551	54,660	
1995	1,407,266	21,547	352,167	463,598		1,300,173	81,258	20,557	79,167	5,083,119	57,217	
1996	1,373,513	21,552	378,850	494,849		1,440,122	85,008	22,929	90,698	5,170,506	60,612	
1997	1,468,178	20,739	406,164	555,200		1,563,488	91,249	26,870	96,819	5,239,129	64,963	
1998	1,593,891	20,764	434,956	622,157		1,654,035	93,931	29,831	99,875	5,259,198	70,414	
1999	1,688,066	26,610	403,708	654,432		1,610,910	93,235	32,152	105,412	5,221,501	72,645	
2000	1,679,544	29,229	384,680	700,385		1,590,813	91,592	35,413	112,384	5,227,598	73,801	
2001	1,576,914	31,532	385,680	761,656		1,575,974	89,008	38,567	114,108	5,422,012	78,354	
2002	1,456,216	29,782	415,683	843,535		1,588,381	88,958	41,953	86,567	5,600,488	83,605	
2003	1,325,672	25,205	460,209	926,515		1,634,477	90,265	47,081	42,013	5,798,873	87,625	
2004	1,133,429	23,350	518,943	996,639		1,716,917	90,252	50,991	9,679	6,059,395	95,803	
2005	882,817	20,628	571,866	1,057,376		1,725,624	87,424	55,827		6,269,743	103,890	
2006	763,757	18,266	612,367	1,097,936		1,682,154	82,446	64,624		6,615,876	112,335	
2007	652,390	15,827	640,912	1,155,312		1,634,442	77,534	70,579		7,021,852	125,207	
2008	495,014	13,320	652,576	1,245,464		1,635,728	72,797	80,966		7,571,533	140,686	

Notes

- 1 Expenditure figures shown are on a cash basis until 30 June 1994, and on an accrual basis thereafter. Accrual figures exclude repayable amounts such as recoverable Special Needs Grants or benefit advances that are recorded as capital expenditure. Accrual figures are also net of debts established and recoveries from clients receiving overseas pensions as well as the above benefits or pensions.
- 2 Expenditure figures shown here are net of taxation, except for New Zealand Superannuation which is shown gross of taxation.
- 3 Expenditure figures include expenditure on selected supplementary benefits paid to clients receiving the benefits and pensions shown. The selected supplementary benefits are Accommodation Supplements, Disability Allowances, Disability Allowances – Telephone Support, Disability Assistance Programme payments, Tenure Protection Allowances, Special Transfer Allowances, Training Incentive Allowances, Special Benefits, Temporary Additional Support, non-recoverable Special Needs Grants, Community Costs Programme, Transition to Work assistance, Course Participation Assistance, Transitional Supplement, Student Allowance Transfer Grants and Residential Social Rehabilitation Assistance Programme payments.
- 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.
- 5 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.
- 6 Prior to 1990, the year ended 31 March; from 1990 onwards, the year ended 30 June.
- 7 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 – Student Hardship. 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.
- 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 Parent, 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:

- main benefits apart from Invalid's Benefits paid to totally blind people
- supplementary benefits apart from Unsupported Child's Benefits, Orphan's Benefits or a Child Disability Allowance.

Income testing involves:

- the assessment of income over the six months previous to when a person applies for a main benefit, and
- ongoing monitoring of income received in addition to a main 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 a main benefit. Receipt of other income over a certain level (generally \$80 per week before tax) leads to abatement of the main 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 main 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 health issues and caring responsibilities.

For many clients who are not exempted from the work test and 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 pre-employment drug tests if required to by a prospective employer (from October 2003)
- commute to seek and undertake paid work if there is no such work available in their local area (from 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 it.
- 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 years or over 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.

Key differences between the officially unemployed, registered job seekers and recipients of Unemployment Benefits

Key differences between the officially unemployed, registered job seekers and recipients of Unemployment Benefits are outlined in the table below.

Characteristic	Officially unemployed	Registered job seekers	Unemployment Benefit recipients
Age	15 years or over	15 years or over	18–64 years (modest exceptions for some parents aged 16–17)
Residency	"Normally resident"	No limits	Continuously lived in New Zealand for two years since becoming a citizen or permanent resident
Full-time or part-time work sought	Seeking to work one hour or more per week	Seeking to increase hours of work (or obtain part-time or full-time work if not working at present)	Seeking full-time employment
Current work status	Less than one hour per week for pay or profit in the previous fortnight, and have had no unpaid work in a relative's business	May work part-time, as long as seeking to increase hours	May work part-time subject to relevant income tests
Income	Not relevant	Not relevant	Ineligible if income is in excess of the cut-off for Unemployment Benefit
Partner's employment status	Not relevant	Not relevant	Makes some ineligible (through excess income)
In tertiary study	Can count as unemployed	May study part-time subject to requirement to seek and be available for work	Generally ineligible for Unemployment Benefit, although other assistance may be available
Efforts to find work	Must have actively sought work (done more than checking newspaper advertisements) within the last four weeks	Complies with Job Seeker Agreement, and any other administrative requirements of Work and Income (including work test if applicable)	Complies with Job Seeker Agreement, work test, and any other administrative requirements of Work and Income
Availability for work	Must be available for work within the next four weeks	May be unavailable for work for short periods without losing eligibility	May be unavailable for work for short periods without losing eligibility
Wanting income assistance from Work and Income	Not relevant	Not relevant	Must want and apply for an Unemployment Benefit, as well as meeting eligibility criteria

Appendix 3: Data on job seeker numbers and use of financial assistance used in calculating the proportion of people receiving assistance or registered as job seekers

table A3.1 Trends in numbers of clients aged 18 years or over and 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				
	2004 Number	2005 Number	2006 Number	2007 Number	2008 Number
Working age clients receiving a main benefit ¹	309,360	290,466	280,299	261,009	258,317
Working age clients registered as job seekers ²	104,360	80,869	75,020	58,090	45,643
Clients aged 65 years or over receiving a pension ³	455,090	467,201	482,637	498,318	511,372
People aged 18 or over receiving one or more supplementary benefits, Temporary Additional Support or a Special Benefit ⁴	434,423	447,115	461,298	460,386	463,847

Notes

- 1 Numbers of working age clients recorded in SWIFTT as receiving a main benefit at the end of June.
- 2 Numbers of working age job seekers registered in SOLO at the end of June.
- 3 Numbers of clients aged 65 years or over recorded in SWIFTT as receiving a pension (including New Zealand Superannuation) 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), Temporary Additional Support or a Special Benefit. Includes some clients receiving one or more supplementary benefits and Temporary Additional Support or a Special Benefit.

table A3.2 Trends in the ages of children aged under 18 years and dependent on clients receiving a main benefit (used in figure 2.2)

Age of child at the end of June	Children under 18 years dependent on clients receiving a main benefit ¹				
	2004 Number	2005 Number	2006 Number	2007 Number	2008 Number
0–4 years	75,190	70,914	67,173	63,775	64,661
5–9 years	74,220	69,967	65,665	59,872	57,651
10–13 years	54,405	51,374	48,154	43,906	42,452
14–17 years	41,148	40,552	39,759	37,116	35,414
Total children aged under 18 years	244,963	232,807	220,751	204,669	200,178

Note

- 1 Numbers of children aged under 18 years and recorded in SWIFTT as dependent on clients receiving a main benefit at the end of June.

table A3.3 Trends in the ages of children aged under 18 years and 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}				
	2004 Number	2005 Number	2006 Number	2007 Number	2008 Number
0–4 years	13,819	10,801	9,843	7,661	4,425
5–9 years	15,790	11,594	11,041	8,518	4,789
10–13 years	13,774	9,725	9,059	7,159	4,120
14–17 years	11,226	8,219	8,044	6,795	3,989
Total children aged under 18 years	54,609	40,339	37,987	30,133	17,323

Notes

- 1 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. Between 2004 and 2008, the proportion of registered job seekers receiving such assistance decreased markedly, but remains a significant majority of all registered job seekers.
- 2 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 ages of working age clients receiving an unemployment-related benefit (used in figure 3.1)

Age of client at the end of June	Working age clients receiving an unemployment-related benefit ^{1,2}				
	2004 Number	2005 Number	2006 Number	2007 Number	2008 Number
18–24 years	20,269	15,281	12,137	7,500	7,016
25–39 years	22,195	16,764	14,278	9,149	7,547
40–49 years	10,911	8,187	7,091	4,849	4,208
50–59 years	9,671	6,745	5,551	3,647	3,040
60–64 years	10,526	8,365	6,441	4,343	2,474
Total working age clients	73,572	55,342	45,498	29,488	24,285

Notes

1. Comprises Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people or to those in training, and Independent Youth Benefits.
2. Numbers of working age 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 and receiving an Independent Youth Benefit (used in figure 3.2)

	Clients aged 16–17 years receiving an Independent Youth Benefit ¹				
	2004 Number	2005 Number	2006 Number	2007 Number	2008 Number
Total aged 16–17 years	2,169	1,914	1,611	1,203	1,190

Note

1. 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 ages of working age clients receiving a Domestic Purposes Benefit – Sole Parent or an Emergency Maintenance Allowance (used in figure 3.4)

Age of client at the end of June	Working age clients receiving a Domestic Purposes Benefit – Sole Parent or an Emergency Maintenance Allowance ¹				
	2004 Number	2005 Number	2006 Number	2007 Number	2008 Number
18–24 years	18,499	17,911	17,479	17,274	17,906
25–39 years	57,657	54,823	51,609	47,348	45,765
40–49 years	22,518	22,285	21,500	20,433	20,252
50–59 years	3,451	3,629	3,835	3,894	4,145
60–64 years	199	181	190	195	284
Total working age clients	102,324	98,829	94,613	89,144	88,352

Note

1. Numbers of working age clients recorded in SWIFTT as receiving a Domestic Purposes Benefit – Sole Parent or Emergency Maintenance Allowance at the end of June.

table A3.7 Trends in the ages of working age clients receiving a sickness-related benefit (used in figure 3.6)

Age of client at the end of June	Working age clients receiving a sickness-related benefit ^{1,2}				
	2004 Number	2005 Number	2006 Number	2007 Number	2008 Number
18–24 years	5,486	5,705	6,530	6,763	7,278
25–39 years	13,201	13,194	13,669	13,835	13,393
40–49 years	10,533	10,689	11,140	11,254	10,887
50–59 years	11,235	11,682	11,489	11,406	10,191
60–64 years	3,243	3,906	4,244	4,805	4,522
Total working age clients	43,698	45,176	47,072	48,063	46,271

Notes

1. Includes Sickness Benefits and Sickness Benefits – Hardship.
2. Numbers of working age clients recorded in SWIFTT as receiving a sickness-related benefit at the end of June.

table A3.8 Trends in the ages of working age clients receiving an Invalid's Benefit (used in figure 3.8)

Age of client at the end of June	Working age clients receiving an Invalid's Benefit ¹				
	2004 Number	2005 Number	2006 Number	2007 Number	2008 Number
18–24 years	5,077	5,273	5,456	5,592	5,948
25–39 years	16,652	16,600	16,546	16,485	16,943
40–49 years	16,976	17,757	18,351	18,711	19,879
50–59 years	20,180	21,160	22,108	22,852	24,406
60–64 years	11,922	12,396	12,888	13,661	15,703
Total working age clients	70,807	73,186	75,349	77,301	82,879

Note

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

table A3.9 Trends in the ages of working age clients receiving a Widow's Benefit (used in figure 3.10)

Age of client at the end of June	Working age clients receiving a Widow's Benefit ¹				
	2004 Number	2005 Number	2006 Number	2007 Number	2008 Number
18–24 years	9	10	13	11	6
25–39 years	348	330	298	257	237
40–49 years	996	936	838	762	702
50–59 years	2,839	2,662	2,530	2,237	2,020
60–64 years	4,069	3,699	3,322	3,020	2,838
Total working age clients	8,261	7,637	7,001	6,287	5,803

Note

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

table A3.10 Trends in the ages of working age registered job seekers (used in figure 3.12)

Age of registered job seeker at the end of June	Working age registered job seekers ¹				
	2004 Number	2005 Number	2006 Number	2007 Number	2008 Number
18–24 years	27,093	21,408	19,452	14,190	12,302
25–39 years	39,265	29,516	27,765	20,710	14,673
40–49 years	21,210	16,303	15,264	12,252	9,199
50–59 years	15,662	11,814	10,920	8,957	6,761
60–64 years	1,130	1,828	1,619	1,981	2,708
Total working age clients	104,360	80,869	75,020	58,090	45,643

Note

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

table A3.11 Trends in the ages of clients aged 65 years or over and 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				
	2004 Number	2005 Number	2006 Number	2007 Number	2008 Number
65–69 years	127,786	135,322	144,867	153,900	158,186
70–74 years	111,757	111,329	111,240	113,201	117,332
75–79 years	94,098	95,021	96,754	97,382	97,581
80 years or over	113,661	117,367	120,993	124,447	128,217
Total aged 65 years or over	447,302	459,039	473,854	488,930	501,316

Note

1 Numbers of clients aged 65 years or over and recorded in SWIFTT as receiving New Zealand Superannuation at the end of June.

table A3.12 Trends in the ages of clients aged 65 years or over and 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				
	2004 Number	2005 Number	2006 Number	2007 Number	2008 Number
65–69 years	452	478	562	681	770
70–74 years	779	776	828	887	930
75–79 years	1,793	1,670	1,577	1,514	1,514
80 years or over	4,764	5,238	5,816	6,306	6,842
Total aged 65 years or over	7,788	8,162	8,783	9,388	10,056

Note

1 Numbers of clients aged 65 years or over and recorded in SWIFTT as receiving a Veteran's Pension at the end of June.

table A3.13 Trends in the ages of working age clients receiving an Emergency Benefit (used in figure 3.17)

Age of client at the end of June	Working age clients receiving an Emergency Benefit ¹				
	2004 Number	2005 Number	2006 Number	2007 Number	2008 Number
18–24 years	503	425	433	390	368
25–39 years	1,240	1,037	1,017	866	783
40–49 years	843	744	822	659	442
50–59 years	809	783	833	853	540
60–64 years	734	489	633	635	506
Total working age clients	4,129	3,478	3,738	3,403	2,639

Note

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

table A3.14 Trends in the ages of clients aged 18 years or over and 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				
	2004 Number	2005 Number	2006 Number	2007 Number	2008 Number
18–24 years	38,638	37,113	36,741	34,220	35,222
25–39 years	90,945	92,576	93,960	90,245	88,805
40–49 years	44,892	47,394	49,860	49,459	49,943
50–59 years	26,285	27,711	29,251	29,008	29,528
60–64 years	12,026	12,299	12,442	12,479	12,758
65 years or over	21,159	22,932	24,682	25,901	27,055
Total aged 18 years or over	233,945	240,025	246,936	241,312	243,311

Note

1 Numbers of clients aged 18 years or over and recorded in SWIFTT as receiving an Accommodation Supplement at the end of June.

table A3.15 Trends in the ages of children aged under 18 years and 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 Orphan's Benefit ¹				
	2004 Number	2005 Number	2006 Number	2007 Number	2008 Number
0–4 years	1,107	1,193	1,299	1,364	1,467
5–9 years	2,554	2,637	2,736	2,863	2,978
10–13 years	2,608	2,746	2,862	2,929	3,002
14–17 years	3,024	3,056	3,133	3,127	3,121
Total aged under 18 years	9,293	9,632	10,030	10,283	10,568

Note

1 Numbers of children aged under 18 years and 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 and covered by a Childcare Subsidy (used in figure 4.5)

	Children aged under five years covered by a Childcare Subsidy ¹				
	2004 Number	2005 Number	2006 Number	2007 Number	2008 Number
Total children aged under five years	24,119	33,181	36,744	42,356	34,782

Note

- 1 Numbers of children aged under five years and recorded in SWIFTT as being covered by a Childcare Subsidy at the end of June.

table A3.17 Trends in the ages of children aged 5–13 years and 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				
	2004 Number	2005 Number	2006 Number	2007 Number	2008 Number
5–9 years	1,727	3,404	4,355	5,652	7,208
10–13 years	384	881	1,291	1,723	2,258
Total aged 5–13 years	2,111	4,285	5,646	7,375	9,466

Note

- 1 Numbers of children aged 5–13 years and recorded in SWIFTT as being covered by an OSCAR Subsidy at the end of June.

table A3.18 Trends in the ages 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}				
	2004 Number	2005 Number	2006 Number	2007 Number	2008 Number
0–14 years	12,619	10,589	9,611	8,981	8,770
15–17 years	2,226	1,971	1,881	1,896	1,939
18–24 years	5,739	5,376	5,220	5,496	5,885
25–39 years	25,260	21,695	20,685	20,780	20,659
40–49 years	24,169	22,626	22,770	23,244	23,921
50–59 years	28,705	27,795	28,079	28,293	28,325
60–64 years	19,816	19,387	19,198	19,465	20,242
65 years or over	112,851	117,395	120,276	123,059	123,854
Total clients covered by a Disability Allowance	231,385	226,834	227,720	231,214	233,595

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 ages of children aged under 18 years and 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				
	2004 Number	2005 Number	2006 Number	2007 Number	2008 Number
0–4 years	7,367	7,581	8,236	8,898	9,865
5–9 years	10,360	11,112	12,201	13,173	14,717
10–13 years	8,469	8,873	9,643	10,420	11,419
14–17 years	5,163	5,378	6,028	6,547	7,052
Total children aged under 18 years	31,359	32,944	36,108	39,038	43,053

Note

- Numbers of children aged under 18 years and recorded in SWIFTT as being covered by a Child Disability Allowance at the end of June.

table A3.20 Trends in the ages of clients aged 65 years or over with a Residential Care Subsidy being paid towards the cost of their care (used in figure 4.13)

Age of client at the end of June	Clients aged 65 years or over receiving a Residential Care Subsidy ¹				
	2004 Number	2005 Number	2006 Number	2007 Number	2008 Number
65–69 years	906	926	991	1,038	1,050
70–74 years	1,483	1,461	1,564	1,505	1,538
75–79 years	2,392	2,297	2,685	2,593	2,601
80 years or over	10,302	10,214	13,666	13,548	13,655
Total clients aged 65 years or over	15,083	14,898	18,906	18,684	18,844

Note

- 1 Numbers of clients aged 65 years or over and recorded in SWIFTT as having a Residential Care Subsidy paid toward the cost of their care at the end of June.

table A3.21 Trends in the ages of clients aged 18 years or over and receiving a Special Benefit or Temporary Additional Support (used in figure 4.14)

Age of client at the end of June	Clients aged 18 years or over receiving a Special Benefit or Temporary Additional Support ^{1,2}				
	2004 Number	2005 Number	2006 Number	2007 Number	2008 Number
18–24 years	6,038	6,325	5,608	4,393	4,856
25–39 years	23,400	22,192	19,236	14,425	14,626
40–49 years	11,881	12,479	11,696	10,063	10,305
50–59 years	6,633	7,933	8,164	7,527	7,614
60–64 years	2,357	2,876	2,998	2,851	3,141
65 years or over	1,043	1,336	1,559	1,587	1,876
Total clients aged 18 years or over	51,352	53,141	49,261	40,846	42,418

Notes

- 1 Numbers of clients aged 18 years or over and recorded in SWIFTT as receiving a Special Benefit at the end of June.
 2 Temporary Additional Support was available from 1 April 2006.



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