



# MINISTRY OF SOCIAL DEVELOPMENT

*Te Manatū Whakahiato Ora*



**THE STATISTICAL REPORT**

**FOR THE YEAR ENDING JUNE 2009**

**THE STATISTICAL REPORT**

FOR THE YEAR ENDING **JUNE 2009**

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## 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)
- is focused on the period between 1 July 2004 and 30 June 2009.

Within this report, information is also placed into a broader population context.

Some of the statistics presented in this report are also available for earlier years, on request from MSD's Decision Support team.

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

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



## Changes in need for assistance

### Numbers receiving assistance

Between 2004 and 2009, the number of people needing assistance responded primarily to changing economic conditions. Economic growth over the first part of this period reduced the difficulty of finding work, leading to smaller numbers of people requiring unemployment benefits or other income-replacement main benefits.

The global recession began to affect New Zealand towards the end of the five-year period this report focuses on. While policy responses dampened the effects of the economic downturn, rising unemployment led to increased need for social assistance.

### *Work and Income practices shifted to address changing patterns of need*

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

- supporting clients to obtain and retain paid work
- ensuring carers are receiving the assistance they are entitled to.

### *Numbers receiving pensions or New Zealand Superannuation increased*

This increase (see table OT.1) reflects the impact of ageing of the New Zealand population.

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

### *Numbers receiving supplementary benefits increased in 2008/2009*

The number of people receiving one or more supplementary benefits, a Special Benefit or Temporary Additional Support increased between 2007 and 2009 (see table OT.1). This increase accelerated between 2008 and 2009.

This increase reflected:

- ongoing replacement of Special Benefits by Temporary Additional Support
- the impact of deteriorating economic conditions between 2008 and 2009 on:
  - numbers receiving main benefits
  - working people.

table  
OT.1**Numbers of people receiving financial assistance from Work and Income**

Client group and assistance received at the end of June	Clients receiving financial assistance from Work and Income <sup>1</sup>				
	2005 Number	2006 Number	2007 Number	2008 Number	2009 Number
All recipients of a main benefit <sup>2</sup>	301,389	291,241	271,569	268,972	321,694
Working-age recipients of a main benefit <sup>2</sup>	290,466	280,299	261,009	258,317	310,296
Recipients of New Zealand Superannuation or pensions <sup>3,4</sup>	484,086	498,297	512,782	525,012	541,774
Recipients of one or more supplementary benefits, a Special Benefit or Temporary Additional Support <sup>5,6</sup>	450,002	464,017	462,795	466,402	520,807

## 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 All counts in this report of recipients of New Zealand Superannuation and pensions include qualified recipients and non-qualified spouses, but exclude other dependents.
- 4 All counts in this report of recipients of New Zealand Superannuation and pensions 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*****The proportions of working-age people receiving main benefits fluctuated between 2004 and 2009***

Proportions reduced in the early part of this period, reflecting

- ongoing economic growth over these years
- operational and policy changes
- demographic factors (ageing of the population, people having children later etc).

***More recently, people aged 18 years or over became more likely to be receiving supplementary benefits, a Special Benefit or Temporary Additional Support***

This increase (see figure OT.1) reflected:

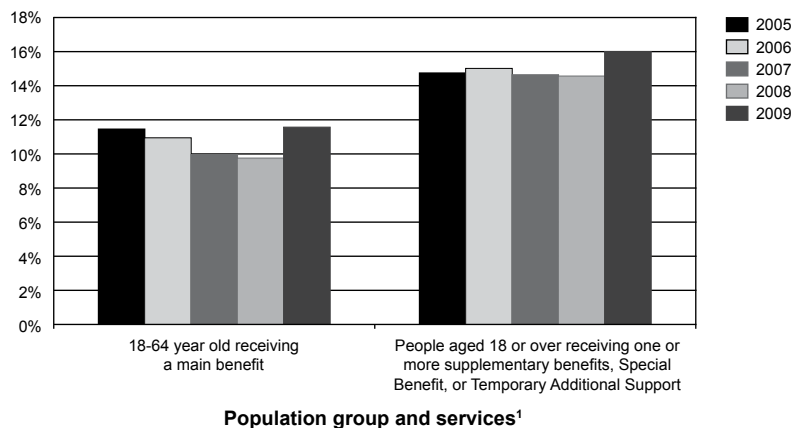
- increased numbers receiving main benefits
- increased financial hardship encountered by working families.

Between 2005 and 2008, around 15% of people aged 18 years or over were receiving one or more supplementary benefits, a Special Benefit, or Temporary Additional Support (see figure OT.1). This reflected a combination of:

- decreasing numbers receiving main benefits
- increasing use of this assistance by working families.

Increased use of this assistance between 2005 and 2008 by working families followed the broadening of eligibility for this assistance under the Working for Families package.

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

figure  
OT.1

## Note

- 1 Proportion for 18-64 year olds receiving a main benefit shows:
- numbers of 18–64 year olds recorded in SWIFTT as receiving a main benefit at the end of June, divided by
  - Statistics New Zealand final estimate of the resident population aged 18–64 years at the end of June.
- Proportion of people aged 18 and over receiving specified benefits shows:
- 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
  - Statistics New Zealand final estimate of the resident population aged 18 years or over at the end of June.

See table PP.21 for a summary of the data underlying figure OT.1.

In 2009, 96% of people aged 65 years or over were receiving New Zealand Superannuation or a Veteran's Pension. This figure rose slightly from 94% in 2005.

## Structure of the report

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

Eight sections are organised around types of services provided:

- main benefits – outlines information about eligibility for and use of benefits, such as unemployment-related benefits and Invalid's Benefits
- supplementary benefits – information about eligibility for and use of supplementary assistance, such as Accommodation Supplement and Childcare Subsidies
- hardship assistance – information about other assistance available for people in hardship such as Temporary Additional Support and Special Needs Grants
- superannuation and pensions – information about eligibility for and use of New Zealand Superannuation and Veteran's Pensions
- employment services – information about eligibility for and use of employment services provided by Work and Income
- services to students – information about eligibility for and use of services to students provided by StudyLink and by Work and Income
- Child, Youth and Family services – information about services provided by Child, Youth and Family and about use of those services
- other services – other services to the public and to the Government provided by MSD, such as Community Services Cards and payments of pensions and benefits overseas.

To help you quickly find the information you need we've produced an alphabetical subject list that is available online.

## Conventions in this report

**Working age**

Information concerning the use of main benefits is focused on working-age clients. Total numbers of clients over all age groups are also shown.

This report defines “working-age” clients as aged 18–64 years. This reflects the minimum age of eligibility for most main benefits and the age of qualification for New Zealand Superannuation.

Clients whose ages are not specified are included under “other” clients (ie those who are not identified as working age).

**Naming of assistance**

“Main benefits” is used to refer to the group of benefits known as “income-tested benefits” prior to 2007.

Throughout this report, financial assistance is referred to:

- by its official name at the end of June 2009 (eg Domestic Purposes Benefit – Sole Parent), or
- as part of groups of main benefits delivered for similar purposes.

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.

**Data sources**

The report refers to SWIFTT and SOLO as data sources. These are databases supporting Work and Income’s delivery of services to clients.

SWIFTT is used to record information about recipients of financial assistance and the assistance they receive. Comprehensive records of information entered from 1996 onward are available.

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

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

**Aggregations used*****Period covered by the report***

The report focuses on the period from 1 July 2004 to 30 June 2009. Descriptions of trends summarise changes during that period. These descriptions are not a complete record of historic trends.

***What data is provided?***

Trends in the use of MSD assistance are shown as numbers receiving assistance at the end of June each year. This allows actual numbers receiving assistance to be shown as well as broad trends.

This report gives no information about numbers receiving assistance at other times of the year. Numbers receiving assistance at the end of June may exclude large numbers of people who:

- are granted assistance after the end of June in one year
- cease receiving it before the following June.

***Which clients are included in these statistics?***

The report focuses on the people MSD works with directly. Statistics do not necessarily include others in their household who are receiving support less directly.

Data on the use of:

- main benefits excludes:
  - spouses and partners of people receiving benefits
  - other dependents (children etc) of people receiving benefits
- pensions:
  - includes non-qualified spouses receiving pensions
  - excludes any other dependents of the client
- work services excludes:
  - recipients of main benefits who are being case-managed toward employment
  - vacation workers
  - people already working full-time but seeking assistance to change jobs or to retain the job they have.

***Rounding of statistics***

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

**Expenditure**

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

These differences arise because of:

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

These modifications to the expenditure data presented aim to show:

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

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

**Definition of transfers within the benefit system**

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

- a client’s benefit is cancelled
- the same client is granted a benefit.

The client may be granted the same type of benefit as was cancelled, or a different type of benefit.

**Civil unions**

Clients in a civil union are treated in the same way as clients who are married or living as married. In this report “married clients” includes clients in a civil union.

**Treatment of age-related payments to older people**

New Zealand Superannuation is not a pension. At times, this report refers to New Zealand Superannuation and Veteran’s Pensions together as “pensions”. This is done to aid the flow of the text.

### Definition of official unemployment

The officially unemployed are people aged 15 years or over who:

- are without any paid work and are without unpaid work in a relative's business
- have actively sought work in the previous four weeks
- are available to take up work.

To have actively sought work, these people must have done more than check newspaper advertisements.

The number of officially unemployed is measured by the Household Labour Force Survey (HLFS). The HLFS is conducted quarterly by Statistics New Zealand.

### Differences between the officially unemployed and recipients of Unemployment Benefits

Key differences between these categories are outlined in table OT.2

table  
OT.2

#### Key differences between the officially unemployed and recipients of Unemployment Benefits

Characteristic	Officially unemployed	Unemployment Benefit recipients
Age	15 years or over	18–64 years (modest exceptions for some parents aged 16–17)
Residency	"Normally resident"	Continuously lived in New Zealand for two years since becoming a citizen or permanent resident
Full-time or part-time work sought	Seeking to work one hour or more per week	Seeking full-time employment
Current work status	Less than one hour per week for pay or profit in the previous fortnight, and have had no unpaid work in a relative's business	May work part-time subject to relevant income tests
Income	Not relevant	Ineligible if income is in excess of the cut-off for Unemployment Benefit
Partner's employment status	Not relevant	Makes some ineligible through excess income
In tertiary study	Can count as unemployed	Generally ineligible for Unemployment Benefit, although other assistance may be available
Efforts to find work	Must have actively sought work (done more than checking newspaper advertisements) within the last four weeks	Complies with work test and any other administrative requirements of Work and Income
Availability for work	Must be available for work within the next four weeks	May be unavailable for work for short periods without losing eligibility
Wanting income assistance from Work and Income	Not relevant	Must want and apply for an Unemployment Benefit, as well as meeting eligibility criteria

## Main benefits

### Which benefits are these?

- Main benefits comprise:
- Unemployment-associated benefits. These are Unemployment Benefits, Unemployment Benefits – Hardship, Unemployment Benefits – Training, Unemployment Benefits – Hardship – Training, Unemployment Benefits – Student – Hardship, and Independent Youth Benefits
- Carer's benefits. These are Domestic Purposes Benefits – Sole Parent, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances
- Sickness-related benefits. These are 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.

### Who are main benefits available to?

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

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

### Eligibility criteria

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

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### How income testing works

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

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

### What is income testing?

Income testing involves:

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

### Who is income tested?

Clients are subject to an income test if they are:

- receiving main benefits apart from Invalid's Benefits paid to totally blind people
- receiving supplementary benefits apart from Unsupported Child's Benefits, Orphan's Benefits or a Child Disability Allowance.
- non-qualified spouses included in New Zealand Superannuation or a Veteran's Pension, or under age 65 years and receiving a Veteran's Pension.
- 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.



***How is other income monitored for benefit recipients?***

Clients are required to declare other income received while they are in receipt of a main benefit.

Receipt of other income over a certain level (generally \$80 per week before tax) leads to abatement (reduction) of the main benefit received.

***What counts as income for income testing?***

Income is defined in section 3 of the Social Security Act 1964 as any money received (before income tax) that is not a one-off capital payment. It includes:

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

Whether or not money received is taxed is irrelevant to identifying it as income.

Income can also refer to a value in money's worth rather than money itself. For example, where another person is meeting expenses such as rent for the client, this can be considered as income. The value of free board or free rent is also considered as income.

**Personal Development and Employment Plan**

In recent years, clients receiving Domestic Purposes Benefits – Sole Parent, Domestic Purposes Benefits – Women Alone, and Widow's Benefits have been obliged to meet the requirements of the Personal Development and Employment Plan process if required to by their case manager.

The plan replaced work testing for recipients of Widow's Benefits and of some carer's benefits from March 2003.

***What was the Personal Development and Employment Plan?***

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

***Which clients were required to have a plan?***

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

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

Case managers could, 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 the time
  - the client's individual circumstances (eg bereavement, mental health issues, birth of a new baby, recent or difficult separation).

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

***What were the plans required to include?***

The plans were required to:

- include any information and financial assistance to be provided by Work and Income
- consider the following aspects of the client's circumstances and needs:
  - financial
  - accommodation
  - health
  - employment
  - personal needs
  - education and training
  - social participation
- include realistic dates by which action points are to be achieved.

***How did the planning process work?***

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

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

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

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

***What role did the client have in this process?***

The client was expected to:

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

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## Work testing

### ***What is the work test?***

Work-tested clients are required to:

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

Depending on their circumstances, clients receiving a work-tested benefit may be subject to:

- a full-time work test (seeking full-time work)
- a part-time work test (seeking part-time work), or
- a requirement to meet Work and Income case managers to plan their entry into paid work.

### ***How do clients fulfil the work test?***

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

Any work or training being undertaken may be counted toward fulfilling a client's obligations under the work test. This is regardless of whether the work or training began before or after the client became subject to a work test.

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

### ***Can clients be exempted from the work test when they are temporarily unavailable for work?***

Clients may be exempted from the work test on a range of grounds, including health issues and caring responsibilities.

### ***Work testing prior to September 2007***

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

- unemployment-associated benefits (for clients and any partner or spouse)
- Domestic Purposes Benefits – Sole Parent, Domestic Purposes Benefits – Women Alone (for clients)
- sickness-related benefits (for spouses or partners)
- Invalid's Benefits (for spouses or partners)
- Widow's Benefits (for clients).

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

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

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).

Levels of work test applicable to each group of people are outlined in tables OT.MB.1 and OT.MB.2. Groups not shown in these tables have not been required to comply with any form of work test or planned process for return to work between early 1997 and September 2007.

## Work testing 1997-2007

table  
OT.MB.1

### Work testing of unemployment-associated benefits and carer's benefits, early 1997 –September 2007

	Early 1997	October 1998	February 1999	March 2003	September 2007
Unemployment-associated benefits (client)	Full-time work test				
Unemployment-associated benefits (spouse or partner, no dependent children aged under 14 years)	Full-time work test				
Unemployment-associated benefits (spouse or partner, youngest dependent child aged 7–13 years)	Attend annual interview to plan entry to work (applicable if had received benefit for more than one year)		Part-time work test		
Unemployment-associated benefits (spouse or partner, youngest dependent child aged 6–7 years)	None				
Unemployment-associated benefits (spouse or partner, youngest dependent child aged under 6 years)			Attend annual interview to plan entry to work, with entry to work to occur once the youngest child has reached six years of age		
Domestic Purposes Benefit – Sole Parent (no dependent child aged under 14 years)	Part-time work test		Full-time work test	Meet obligations of Personal Development and Employment Plan process if required by case manager	
Domestic Purposes Benefit – Sole Parent (youngest dependent child aged 6–13 years)	None		Part-time work test	Meet obligations of Personal Development and Employment Plan process if required by case manager	
Domestic Purposes Benefit – Sole Parent (youngest dependent child aged under 6 years)	None		Attend annual interview to plan entry to work, with entry to work to occur once the youngest child has reached six years of age	Meet obligations of Personal Development and Employment Plan process if required by case manager	
Domestic Purposes Benefit – Women Alone	Part-time work test			Meet obligations of Personal Development and Employment Plan process if required by case manager	
Emergency Maintenance Allowance				Meet obligations of Personal Development and Employment Plan process if required by case manager	

table  
OT.MB.2**Work testing of sickness-related benefits, Invalid's Benefit and Widow's Benefit, early 1997–September 2007**

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

**Payment rates**

Table MP.1 shows rates for main benefits current from 1 April 2009.

In this table:

- the rates shown are maximum rates
- rates shown as “Married, each” are paid to each member of a couple who are married or living as married.

Actual rates paid may be reduced from the maximum if the client receives income from other sources.

## How are benefit payment rates set?

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

table  
MP.1

### Weekly payment rates for main benefits (payable from 1 April 2009)

Main benefit	Status <sup>1</sup>	Weekly payment rate <sup>2,3</sup>	
		Number of children	
		None	1 or more
Unemployment Benefit	Married, each	\$158.65	\$158.65
	Single 25+	\$190.39	
	Single 18–24	\$158.65	
	Single 18–19 (Living at Home)	\$126.92	
	Sole parent		\$272.70
Independent Youth Benefit		\$158.65	
Sickness Benefit <sup>4</sup>	Married, each	\$158.65	\$158.65
	Single 25+	\$190.39	
	Single 18–24	\$158.65	
	Single 18–19 (Living at Home)	\$126.92	
	Sole parent		\$272.70
Invalid's Benefit	Married, each	\$198.31	\$198.31
	Single 18+	\$237.97	
	Single 16–17	\$192.58	
	Sole parent		\$312.62
Domestic Purposes Benefits	Sole Parent		\$272.70
	Women Alone	\$198.31	
Domestic Purposes Benefit – Care of Sick or Infirm <sup>5</sup>	Single 18+	\$237.97	
	Single 16–17	\$192.58	
	Sole parent		\$312.62
	Married, each	\$198.31	\$198.31
Emergency Maintenance Allowance	Age 16–17 (Living at Home)		\$126.92
	Age 16–17 (Away from Home)		\$272.70
	18 or over		\$272.70
Widow's Benefit		\$198.31	\$272.70

#### 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 2009. Tax at the "M" rate is calculated retrospectively and paid to Inland Revenue.
- 3 Rates shown exclude Working for Families Tax Credits. Benefit recipients with dependent children qualify for these tax credits, which are funded by Inland Revenue. See table SP.1 for rates of these tax credits. From 1 April 2005, the child component of main benefits (ie the additional payment for children) was removed from main benefits and included in Working for Families Tax Credits. This change was part of the Working for Families package.
- 4 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.

## Overall trends

### *Numbers receiving main benefits rose between 2008 and 2009*

This increase (see table MB.1) largely reflected the impact of the recession.

Numbers receiving main benefits decreased between 2005 and 2008. This decrease reflected a combination of:

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

### *Most recipients of main benefits were aged 25–54 years*

Between 2005 and 2009 (see table MB.1):

- 33%–38% of working-age clients receiving main benefits were aged 25–39 years
- another 29%–32% were aged 40–54 years.

table  
MB.1

### Ages of recipients of a main benefit

Age of client at the end of June	2005 Number	2006 Number	2007 Number	2008 Number	2009 Number
<b>Working-age clients receiving a main benefit<sup>1</sup></b>					
18–19 years	11,763	11,042	9,502	10,237	16,539
20–24 years	33,123	31,352	28,424	28,748	40,807
25–29 years	32,900	31,419	28,378	27,559	34,285
30–34 years	34,911	32,458	28,761	27,315	31,574
35–39 years	35,805	34,483	31,819	31,059	35,502
40–44 years	34,154	33,035	30,581	29,863	34,449
45–49 years	27,511	27,937	27,430	28,075	32,820
50–54 years	23,946	23,884	23,599	23,643	27,719
55–59 years	25,351	25,099	23,962	23,542	26,474
60–64 years	31,002	29,590	28,553	28,276	30,127
<b>Total working-age clients</b>	<b>290,466</b>	<b>280,299</b>	<b>261,009</b>	<b>258,317</b>	<b>310,296</b>
<b>Other clients receiving a main benefit<sup>1</sup></b>					
<b>Total other clients</b>	<b>10,923</b>	<b>10,942</b>	<b>10,560</b>	<b>10,655</b>	<b>11,398</b>
<b>All clients receiving a main benefit<sup>1</sup></b>					
<b>Total</b>	<b>301,389</b>	<b>291,241</b>	<b>271,569</b>	<b>268,972</b>	<b>321,694</b>

Note

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

### *As the economy went into recession, benefit recipients became more likely to be receiving an unemployment-associated benefit*

In 2009, 20% of working-age recipients of main benefits were receiving an unemployment-associated benefit in 2009 (see table MB.2). This was an increase from 9% in 2008. This increase largely reflected the impact of the economic recession on unemployment levels.

Between 2005 and 2008, this proportion fell from 19% to 9%. This change reflected in part the impact on job opportunities of strong economic growth and a tight labour market.



**Recent growth in numbers receiving main benefits was driven by increased use of unemployment-associated benefits**

Unemployment-associated benefits formed the largest part of the increase in main benefit numbers between 2008 and 2009 (see table MB.2). This largely reflected the impact of the recession on numbers receiving unemployment-associated benefits.

Numbers receiving carer's benefits and Invalid's Benefits grew more slowly than numbers receiving unemployment-associated benefits (see table MB.2).

table  
MB.2

**Types of main benefit received by working-age clients**

Type of main benefit received at the end of June	Working-age clients receiving a main benefit <sup>1</sup>				
	2005 Number	2006 Number	2007 Number	2008 Number	2009 Number
Unemployment-associated benefits <sup>2</sup>	55,342	45,498	29,488	24,285	58,461
Carer's benefits <sup>3</sup>	105,647	101,641	96,467	96,440	104,400
Sickness-related benefits <sup>4</sup>	45,176	47,072	48,063	46,271	54,352
Invalid's Benefit	73,186	75,349	77,301	82,879	84,544
Widow's Benefit	7,637	7,001	6,287	5,803	5,820
Emergency Benefit	3,478	3,738	3,403	2,639	2,719
<b>Total</b>	<b>290,466</b>	<b>280,299</b>	<b>261,009</b>	<b>258,317</b>	<b>310,296</b>

Notes

- 1 Numbers of working-age clients recorded in SWIFTT as receiving a main benefit at the end of June.
- 2 Comprises Unemployment Benefits, Unemployment Benefits – Hardship, Unemployment Benefits – Training, Unemployment Benefits – Hardship – Training, Unemployment Benefits – Student – Hardship, and Independent Youth Benefits paid to clients aged 18 years or over.
- 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.

**Duration on a main benefit is decreasing**

In 2009, 54% of clients receiving main benefits had done so for less than two years (see table MB.3). This compared with 46% in 2008.

The increase reflected the large number of new clients entering the benefit system between 2008 and 2009 as a result of the recession.

table  
MB.3

**Length of current spells receiving a main benefit, for working-age clients**

Length of current spell at the end of June	Working-age clients receiving a main benefit <sup>1</sup>				
	2005 Number	2006 Number	2007 Number	2008 Number	2009 Number
Under 6 months	57,632	55,658	48,230	51,531	82,643
6 months–2 years	79,764	75,070	67,869	67,676	86,132
2–4 years	52,118	50,530	48,466	44,454	45,344
Over 4 years	100,952	99,041	96,444	94,656	96,177
<b>Total</b>	<b>290,466</b>	<b>280,299</b>	<b>261,009</b>	<b>258,317</b>	<b>310,296</b>

Note

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

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

Over this period, around 46% of working-age main benefit recipients identified as New Zealand European and around 31% identified as Māori (see table MB.4).

table  
MB.4

**Ethnicity of working-age recipients of a main benefit**

Recorded ethnicity at the end of June	Working-age clients receiving a main benefit <sup>1</sup>				
	2005 Number	2006 Number	2007 Number	2008 Number	2009 Number
Māori	89,822	87,003	81,189	81,268	97,814
Pacific peoples	21,526	20,853	19,476	19,719	25,259
Other ethnic groups	39,131	37,276	34,940	34,431	40,332
New Zealand European	135,224	130,259	120,390	117,485	139,144
Not coded	4,763	4,908	5,014	5,414	7,747
<b>Total</b>	<b>290,466</b>	<b>280,299</b>	<b>261,009</b>	<b>258,317</b>	<b>310,296</b>

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**

**Numbers of main benefits granted have recently increased**

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

The number of main benefits granted fell between 2004/2005 and 2007/2008 (see table MB.5). This decrease reflected a combination of:

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

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

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

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

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

Period since client last received any main benefit	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number
	Working-age clients granted a main benefit <sup>1</sup>				
None (clients transferring within the benefit system) <sup>2</sup>	61,276	56,342	55,322	54,339	58,505
Under 6 months	41,508	37,451	34,586	31,985	35,209
6–12 months	32,164	28,103	23,856	22,639	24,341
12–18 months	10,696	10,682	8,873	9,316	11,504
18 months–2 years	8,120	8,281	7,049	6,840	9,549
2–4 years	15,250	15,960	14,580	13,861	21,000
Had not received a main benefit in previous four years	49,477	49,309	46,195	46,178	83,891
<b>Total main benefits granted to working-age clients</b>	<b>218,491</b>	<b>206,128</b>	<b>190,461</b>	<b>185,158</b>	<b>243,999</b>
	Other clients granted a main benefit <sup>1</sup>				
<b>Main benefits granted to other clients</b>	<b>8,808</b>	<b>8,111</b>	<b>7,291</b>	<b>7,662</b>	<b>8,119</b>
	All clients granted a main benefit <sup>1</sup>				
<b>Total</b>	<b>227,299</b>	<b>214,239</b>	<b>197,752</b>	<b>192,820</b>	<b>252,118</b>

## Notes

- 1 Numbers of successful applications for main benefits recorded in SWIFTT during years ended June.
- 2 Includes transfers from a different type of benefit or from the same type of benefit. Transfers from the same type of benefit occur when benefits are cancelled and restarted for administrative reasons (eg a review of entitlement).

**Unemployment-associated benefits form an increasing proportion of the main benefits granted**

Fifty-two percent of main benefits granted in 2008/2009 were unemployment-associated benefits (see table MB.6). This compared with 41% in 2007/2008.

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

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

Type of main benefit granted	Main benefits granted to working-age clients <sup>1</sup>				
	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number
Unemployment-associated benefits <sup>2</sup>	115,508	103,945	88,642	76,835	126,927
Carer's benefits <sup>3</sup>	35,304	34,142	33,471	36,494	41,811
Sickness-related benefits <sup>4</sup>	47,259	47,517	48,666	49,518	55,848
Invalid's Benefit	10,898	10,841	11,074	15,007	11,024
Widow's Benefit	1,953	1,780	1,593	1,623	1,776
Emergency Benefit	7,569	7,903	7,015	5,681	6,613
<b>Total</b>	<b>218,491</b>	<b>206,128</b>	<b>190,461</b>	<b>185,158</b>	<b>243,999</b>

## Notes

- 1 Numbers of successful applications from working-age clients for main benefits recorded in SWIFTT during years ended June.
- 2 Comprises Unemployment Benefits, Unemployment Benefits – Hardship, Unemployment Benefits – Training, Unemployment Benefits – Hardship – Training, Unemployment Benefits – Student – Hardship, and Independent Youth Benefits paid to clients aged 18 years or over.
- 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.

## Trends in main benefits cancelled

### *The number of main benefits cancelled increased slightly in the 2008/09 year*

This increase (see table MB.7):

- largely reflects the increase over the same period in total numbers receiving a main benefit
- followed three years of decreases.

### *Main benefits cancelled became slightly more likely to be unemployment-associated benefits*

Forty-eight percent of main benefits cancelled by working-age clients in 2008/2009 were unemployment-associated benefits (see table MB.7). This compared with 44% in 2007/2008.

This change largely reflected changes in the numbers receiving different types of main benefits.

table  
MB.7

## Types of main benefit cancelled

Type of main benefit cancelled	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number
<b>Working-age clients cancelling a main benefit<sup>1</sup></b>					
Unemployment-associated benefits <sup>2</sup>	137,069	113,315	106,827	82,720	90,814
Carer's benefits <sup>3</sup>	38,960	38,698	39,273	36,873	34,566
Sickness-related benefits <sup>4</sup>	45,219	44,742	47,254	51,207	47,620
Invalid's Benefit	7,961	8,082	8,454	8,530	8,730
Widow's Benefit	2,189	2,094	1,996	1,832	1,518
Emergency Benefit	8,420	7,457	7,298	6,468	6,244
<b>Main benefits cancelled by working-age clients</b>	<b>239,818</b>	<b>214,388</b>	<b>211,102</b>	<b>187,630</b>	<b>189,492</b>
<b>Other clients cancelling a main benefit<sup>1</sup></b>					
<b>Main benefits cancelled by other clients</b>	<b>9,508</b>	<b>8,685</b>	<b>8,326</b>	<b>7,441</b>	<b>7,259</b>
<b>All clients cancelling a main benefit<sup>1</sup></b>					
<b>Total</b>	<b>249,326</b>	<b>223,073</b>	<b>219,428</b>	<b>195,071</b>	<b>196,751</b>

Note

- 1 Numbers of cancellations of main benefits recorded in SWIFTT during years ended June.
- 2 Comprises Unemployment Benefits, Unemployment Benefits – Hardship, Unemployment Benefits – Training, Unemployment Benefits – Hardship – Training, Unemployment Benefits – Student – Hardship, and Independent Youth Benefits paid to clients aged 18 years or over.
- 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.

### *Clients cancelling main benefits became less likely to be entering paid work*

Twenty-nine percent of cancellations of main benefits in 2008/2009 were because the client was entering paid work (see table MB.8). This proportion fell from 35% in 2006/2007. This decrease reflected the reduced job opportunities available during the recession.

table  
MB.8**Recorded reasons for working-age clients cancelling main benefits**

Reason for cancellation	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number
	Cancellations of main benefits by working-age clients <sup>1,2</sup>				
Obtained paid work <sup>2</sup>	88,413	75,591	74,514	61,113	55,155
Other <sup>2,3</sup>	151,405	138,797	136,588	126,517	134,337
<b>Total cancelled by working-age clients</b>	<b>239,818</b>	<b>214,388</b>	<b>211,102</b>	<b>187,630</b>	<b>189,492</b>

## Notes

- 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 These cancellations occurred for administrative reasons (eg to test ongoing eligibility or change payment rates), because clients transferred to another benefit, or because clients moved out of the benefit system without taking up paid work. People may leave the benefit system without taking up work for a range of reasons including entering full-time study, entering a new relationship or leaving the country.

**More clients transferred within the benefit system in the 2008/09 year**

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

**Transfers became more likely to be to the same type of main benefit**

Forty percent of transfers in 2008/2009 were to the same type of main benefit (see table MB.9). This compared with 34% in 2004/2005.

This change largely reflected the increasing numbers of clients receiving benefits such as Invalid's Benefits, which are paid for long periods. Entitlement to benefits is reviewed regularly and involves cancelling the benefit and subsequently renewing it for clients who retain entitlement.

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

Type of transfer <sup>1</sup>	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number
Transferred to New Zealand Superannuation, pensions or another type of main benefit	40,916	36,979	34,950	35,077	35,311
Transferred within the same group of main benefits <sup>2</sup>	21,113	20,059	20,997	19,840	23,792
<b>Total transfers</b>	<b>62,029</b>	<b>57,038</b>	<b>55,947</b>	<b>54,917</b>	<b>59,103</b>

## Notes

- 1 Numbers of transfers within the benefit system recorded in SWIFTT during years ended June. The date of these transfers reflects the date at which the new benefit was granted, not the date at which the former benefit was cancelled.
- 2 Main benefits comprise Unemployment Benefits, Unemployment Benefits – Hardship, Unemployment Benefits – Training, Unemployment Benefits – Hardship – Training, Unemployment Benefits – Student – Hardship, Independent Youth Benefits paid to clients aged 18 years or over, Domestic Purposes Benefits – Sole Parent, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone, Sickness Benefits, Sickness Benefits – Hardship, Invalid's Benefits, Widow's Benefits, and Emergency Benefits.

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## Trends in expenditure on pensions and main benefits

### ***Notes on expenditure data***

Expenditure data provided in table MB.10 and table MB.11 excludes expenditure on supplementary benefits paid to recipients of the main benefit shown. This expenditure is included in expenditure data provided for specific pensions and benefits and in table BU.2.

All expenditure data provided in this report for unemployment-associated 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 is done to ensure a consistent series over time for expenditure on unemployment-associated benefits.

Information on use of unemployment-associated benefits in tables MB.1, MB.5 and MB.7 above exclude Emergency Benefits and Emergency Unemployment Benefits. Use of these benefits is reported in information on Emergency Benefits.

### ***Expenditure on main benefits increased in the 2008/09 year***

This increase (see table MB.10):

- reflected increases in both numbers receiving main benefits and the rates at which benefits were paid
- followed three years of decreases.

### ***Recently, nearly two-fifths of benefit expenditure was on carer's benefits and nearly one-third on Invalid's Benefits***

Of the expenditure on main benefits in 2007/2008 and 2008/2009 (see table MB.10):

- around 37% was on carer's benefits
- around 31% was on Invalid's Benefits
- around 15% was on sickness-related benefits
- around 14% was on unemployment-associated benefits.

### ***Expenditure on New Zealand Superannuation and pensions has increased***

This increase (see table MB.10) reflected:

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

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

table  
MB.10**Expenditure on New Zealand Superannuation, pensions and main benefits<sup>1,2,3</sup>**

Type of pension or main benefit	2004/2005 Amount (\$m)	2005/2006 Amount (\$m)	2006/2007 Amount (\$m)	2007/2008 Amount (\$m)	2008/2009 Amount (\$m)
Unemployment-associated benefits and Emergency Benefit <sup>4,6</sup>	721	618	531	398	522
Carer's benefits <sup>4,7</sup>	1,283	1,238	1,216	1,223	1,309
Sickness-related benefits <sup>4,8</sup>	431	457	483	491	531
Invalid's Benefit <sup>4</sup>	858	897	945	1,014	1,087
Widow's Benefit <sup>4</sup>	74	69	65	61	60
<b>Total expenditure on main benefits<sup>3,4</sup></b>	<b>3,368</b>	<b>3,279</b>	<b>3,240</b>	<b>3,186</b>	<b>3,510</b>
New Zealand Superannuation <sup>5</sup>	4,984	5,232	5,542	5,966	6,455
Veteran's Pension <sup>5</sup>	98	105	118	133	150
<b>Total expenditure on New Zealand Superannuation and pensions<sup>3,5</sup></b>	<b>5,083</b>	<b>5,337</b>	<b>5,661</b>	<b>6,099</b>	<b>6,605</b>
<b>Total expenditure on main benefits, New Zealand Superannuation and pensions<sup>3</sup></b>	<b>8,450</b>	<b>8,617</b>	<b>8,900</b>	<b>9,285</b>	<b>10,115</b>

## Notes

- Expenditure for years ended June. Expenditure shown is calculated on an accrual basis and excludes debts established.
- 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.
- Figures shown may not add to the totals provided because of rounding.
- Expenditure on main benefits excludes tax paid on these benefits and excludes supplementary benefits provided to recipients of a main benefit.
- Expenditure on New Zealand Superannuation and pensions excludes tax estimated at the "M" tax rate and excludes supplementary benefits provided to recipients of New Zealand Superannuation or pensions. Expenditure on pensions paid to recipients living in the United Kingdom is also excluded.
- Comprises Unemployment Benefits, Unemployment Benefits – Hardship, Unemployment Benefits – Training, Unemployment Benefits – Hardship – Training, Unemployment Benefits – Student – Hardship, Independent Youth Benefits paid to clients aged 18 years or over. Also includes Emergency Benefits paid to unemployed people or trainees since 1 October 1998.
- Comprises Domestic Purposes Benefits – Sole Parent, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefit – Women Alone, and Emergency Maintenance Allowances.
- Comprises Sickness Benefits and Sickness Benefits – Hardship.

***Benefits, New Zealand Superannuation and pensions cost slightly more as a proportion of Gross Domestic Product***

Expenditure on New Zealand Superannuation, pensions and main benefits accounted for 5.6% of Gross Domestic Product (GDP) in 2008/2009 (see table MB.11). This compared with 5.2% in 2004/2005.

The increase reflected:

- increases in expenditure both on main benefits and on New Zealand Superannuation and pensions
- minimal growth in GDP, following a period when GDP was expanding yearly.

This increase followed decreases over the previous three years.



table  
MB.11**Proportion of Gross Domestic Product accounted for by expenditure on New Zealand Superannuation, pensions and main benefits**

Type of expenditure	Expenditure on pensions and main benefits <sup>1,2,3</sup>				
	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009
Total expenditure on main benefits (\$m) <sup>4</sup>	3,368	3,279	3,240	3,186	3,510
Total expenditure on New Zealand Superannuation and pensions (\$m) <sup>5</sup>	5,083	5,337	5,661	6,099	6,605
<b>Total expenditure on pensions and main benefits (\$m)</b>	<b>8,450</b>	<b>8,617</b>	<b>8,900</b>	<b>9,285</b>	<b>10,115</b>
Gross Domestic Product (GDP) (\$m) <sup>6</sup>	152,060	158,283	168,571	179,048	180,210
<b>Expenditure on main benefits as a percentage of GDP<sup>4</sup></b>	<b>2.2%</b>	<b>2.1%</b>	<b>1.9%</b>	<b>1.8%</b>	<b>1.9%</b>
<b>Expenditure on New Zealand Superannuation and pensions as a percentage of GDP<sup>5</sup></b>	<b>3.3%</b>	<b>3.4%</b>	<b>3.4%</b>	<b>3.4%</b>	<b>3.7%</b>
<b>Percentage of Gross Domestic Product<sup>7</sup></b>	<b>5.6%</b>	<b>5.4%</b>	<b>5.3%</b>	<b>5.2%</b>	<b>5.6%</b>

## Notes

- Expenditure on New Zealand Superannuation, pensions and main benefits for years ended June. Expenditure shown is calculated on an accrual basis and excludes debts established.
- 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.
- Figures shown may not add to the totals provided because of rounding.
- Excludes tax paid on main benefits, and excludes expenditure on supplementary benefits provided to recipients of main benefits.
- 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.
- 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.
- Total combined expenditure on New Zealand Superannuation, pensions and main benefits for years ended June as a percentage of Gross Domestic Product in years ended June.

**Expenditure on main benefits by age, gender and ethnicity****Note – factors affecting the distribution of main benefit expenditure**

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

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

**Older clients accounted for an increasing proportion of benefit expenditure**

Clients aged 40–64 years accounted for 49% of main benefit expenditure in 2008/2009 (see table MB.12). This compared with 45% in 2004/2005.

This reflected both:

- ageing of people receiving benefits (in step with the ageing of the population)
- the increased proportion of main benefit recipients who are receiving Invalid's Benefits, which tend to be received by older people.

table  
MB.12**Distribution across age groups of expenditure on main benefits**

Age of client when payment made	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009
	Percentage of expenditure on main benefits paid to working-age clients <sup>1,2</sup>				
18–19 years	3.3%	3.3%	3.2%	1.9%	0.9%
20–24 years	10.7%	10.6%	10.4%	9.5%	9.2%
25–29 years	11.5%	11.3%	11.1%	11.1%	11.0%
30–39 years	25.2%	24.4%	23.8%	23.8%	23.5%
40–49 years	20.7%	21.1%	21.5%	22.1%	22.6%
50–59 years	15.8%	16.3%	16.7%	16.9%	16.9%
60–64 years	9.6%	9.6%	9.7%	10.2%	10.0%
<b>Total working-age clients</b>	<b>96.8%</b>	<b>96.6%</b>	<b>96.5%</b>	<b>95.5%</b>	<b>94.0%</b>
	Percentage of expenditure on main benefits paid to other clients <sup>1,2</sup>				
<b>Total other clients</b>	<b>3.2%</b>	<b>3.4%</b>	<b>3.5%</b>	<b>4.5%</b>	<b>6.0%</b>
	Percentage of expenditure on main benefits paid to all clients <sup>1,2</sup>				
<b>Total all clients</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

## 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.

**Women accounted for a majority of total main benefit expenditure over this period and Māori accounted for almost half**

Women accounted for around 65% of expenditure on main benefits between 2004/2005 and 2008/2009 (see table MB.13). Māori accounted for around 44% of this expenditure, and New Zealand Europeans accounted for 31% (see table MB.14).

table  
MB.13**Distribution across gender groups of expenditure on main benefits**

Gender of client	Percentage of expenditure on main benefits <sup>1,2</sup>				
	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009
Female	65.1%	64.9%	64.7%	65.2%	65.2%
Male	34.9%	35.1%	35.3%	34.8%	34.8%
<b>Total<sup>1</sup></b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

## 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  
MB.14**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 <sup>1,2</sup>				
	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009
Māori	30.7%	31.0%	31.0%	31.0%	31.1%
Pacific peoples	7.9%	7.9%	8.0%	8.0%	8.0%
Other ethnic groups	15.3%	15.1%	15.2%	15.4%	15.2%
New Zealand European	44.7%	44.7%	44.1%	44.1%	44.3%
Unspecified	1.5%	1.4%	1.6%	1.5%	1.4%
<b>Total<sup>1</sup></b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

## 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.

**Dependent children**

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

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

Other children living in the client's household are treated as economically independent of the client. The following statistics exclude economically independent children in the client's household.

***The number of children dependent on beneficiaries increased in the 2008/09 year***

This increase (see table DB.1):

- reflected increases in numbers receiving main benefits.
- followed decreases from 2005 to 2008, which reflected decreases in numbers receiving main benefits.

***Most children dependent on beneficiaries were aged under 14 years***

Around 82% of the children dependent on working-age benefit recipients over this period were aged under 14 years (see table DB.1). This included between 30% and 33% who were aged under five years.

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

Age of child at the end of June	2005 Number	2006 Number	2007 Number	2008 Number	2009 Number
	<b>Children dependent on working-age recipients of a main benefit<sup>1</sup></b>				
0–4 years	70,248	66,478	63,122	63,947	72,693
5–9 years	69,876	65,579	59,808	57,585	62,512
10–13 years	51,230	48,018	43,777	42,343	45,514
14–17 years	40,326	39,522	36,914	35,233	38,908
18–19 years	1,648	1,747	1,703	1,570	1,678
<b>Total children dependent on working-age clients</b>	<b>233,328</b>	<b>221,344</b>	<b>205,324</b>	<b>200,678</b>	<b>221,305</b>
	<b>Children dependent on other recipients of a main benefit<sup>1</sup></b>				
<b>Total children dependent on other clients</b>	<b>1,147</b>	<b>1,171</b>	<b>1,070</b>	<b>1,081</b>	<b>1,161</b>
	<b>All children dependent on recipients of a main benefit<sup>1</sup></b>				
<b>Total</b>	<b>234,475</b>	<b>222,515</b>	<b>206,394</b>	<b>201,759</b>	<b>222,466</b>

Note

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

***The proportion of children aged under 18 years who were dependent on recipients of a main benefit increased***

This increase (see figure DB.1) followed three years of decreases. These patterns reflected changes in the number of people receiving a main benefit.

Increased benefit numbers between 2008 and 2009 largely reflected the impact of the economic recession.

As outlined above, decreases between 2005 and 2008 in numbers of people receiving main benefits reflected:

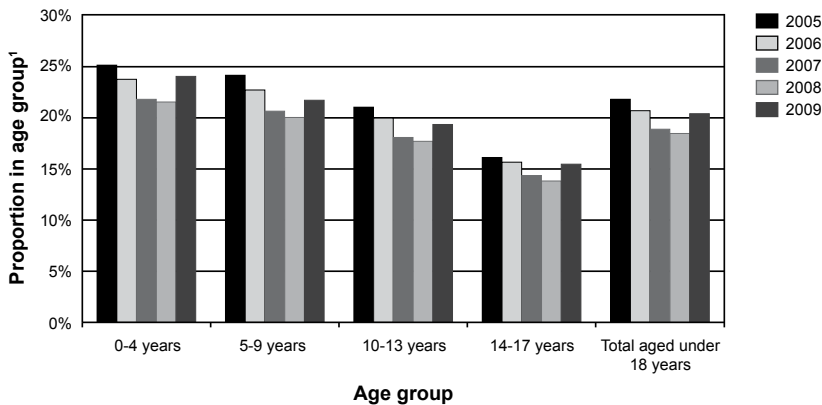
- economic changes
- policy changes
- operational changes.

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

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

**figure  
DB.1**

**Proportion of children aged under 18 years dependent on recipients of a main benefit, by age**



Note

- 1 Proportion shows:
  - a 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
  - b Statistics New Zealand final estimate of the resident population in age group at the end of June.

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

**Other income declared by recipients of a main benefit**

***How does Work and Income deal with beneficiaries who have other incomes?***

When a client’s New Zealand Superannuation, pension or benefit is not income tested, they may earn other income without their New Zealand Superannuation, pension or benefit being affected.

Clients receiving a main benefit which is income tested are allowed to receive some income in addition to their benefit. Additional income received must be declared to Work and Income.

There are two ways Work and Income treats additional income received by beneficiaries who are subject to an income test. These are:

- allowing clients to receive income to a certain level without affecting their benefit (this level depends on the benefit received)
- reducing the client’s benefit at a fixed rate for each dollar of income above that amount (for each dollar earned above that amount, the client’s benefit is reduced (“abated”) by a smaller amount).

***How much additional income could beneficiaries receive before their benefits are affected?***

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

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

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

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

***How did income above this amount affect benefits?***

For each dollar of income above this amount:

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

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

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

The assessment period for the income test was:

- annual for Domestic Purposes Benefits, Widow's Benefits, Invalid's Benefits, Transitional Retirement Benefits, New Zealand Superannuation or Veteran's Pensions
- weekly for all other main benefits and for all supplementary benefits.

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

Main benefits for which income was assessed weekly were:

- unemployment-associated benefits
- sickness-related benefits
- Emergency Benefits.

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

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

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

***What about supplementary benefits?***

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

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

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**Trends in the number of recipients of a main benefit who declared other income*****Numbers of main benefit recipients declaring other income increased in 2008/09***

This increase (see table OB.1) followed decreases over the previous three years.

These patterns reflected in large part changes in numbers receiving main benefits.

***Benefit recipients have become slightly less likely to be receiving other income***

Over this period, the proportion of working-age recipients of main benefits declaring other income decreased slightly (from 22% to 17%). Around 64% of those clients declared income of over \$80 per week before tax.

table  
OB.1

## Levels of other income declared by recipients of a main benefit

Level of other income declared <sup>1</sup>	2005 Number	2006 Number	2007 Number	2008 Number	2009 Number
	Working-age recipients of a main benefit <sup>2</sup>				
<b>Total working-age clients not declaring income</b>	227,146	221,793	207,365	208,380	257,334
<b>Income declared<sup>3</sup></b>					
\$1.00–\$39.99	11,618	10,632	9,565	8,813	9,347
\$40.00–\$79.99	11,055	10,255	9,451	8,588	9,102
\$80.00–\$119.99	13,468	12,548	11,233	9,894	10,086
\$120.00–\$159.99	7,306	6,947	6,195	5,863	6,387
\$160.00–\$179.99	2,868	2,714	2,575	2,245	2,310
\$180.00–\$199.99	2,811	2,610	2,548	2,580	2,624
\$200.00 or over	14,194	12,800	12,077	11,954	13,106
<b>Total working-age clients declaring income<sup>3</sup></b>	<b>63,320</b>	<b>58,506</b>	<b>53,644</b>	<b>49,937</b>	<b>52,962</b>
<b>Total working-age recipients</b>	<b>290,466</b>	<b>280,299</b>	<b>261,009</b>	<b>258,317</b>	<b>310,296</b>
	Other recipients of a main benefit <sup>2</sup>				
<b>Other clients declaring income<sup>3</sup></b>	<b>1,330</b>	<b>1,391</b>	<b>1,436</b>	<b>1,555</b>	<b>1,686</b>
<b>Other clients not declaring income</b>	<b>9,593</b>	<b>9,551</b>	<b>9,124</b>	<b>9,100</b>	<b>9,712</b>
<b>Total other recipients of main benefits</b>	<b>10,923</b>	<b>10,942</b>	<b>10,560</b>	<b>10,655</b>	<b>11,398</b>
	All recipients of a main benefit <sup>2</sup>				
<b>Total clients declaring income<sup>3</sup></b>	<b>64,650</b>	<b>59,897</b>	<b>55,080</b>	<b>51,492</b>	<b>54,648</b>
<b>Total clients not declaring income</b>	<b>236,739</b>	<b>231,344</b>	<b>216,489</b>	<b>217,480</b>	<b>267,046</b>
<b>Total clients receiving main benefits</b>	<b>301,389</b>	<b>291,241</b>	<b>271,569</b>	<b>268,972</b>	<b>321,694</b>

## 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.

***In 2008/09, benefit recipients declaring other income became more likely to be receiving unemployment-associated benefits***

Over this period, the proportion of beneficiaries declaring other income who were receiving an unemployment-associated benefit increased (from 7% to 13%) (see table OB.2). This followed three years of decreases.

There were corresponding decreases in the proportion receiving carer's benefits and Invalid's Benefits.

These changes reflected patterns in numbers receiving main benefits.

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

Type of main benefit received when income declared <sup>1</sup>	Working-age recipients of a main benefit who declared other income <sup>2</sup>				
	2005 Number	2006 Number	2007 Number	2008 Number	2009 Number
Unemployment-associated benefits <sup>3</sup>	10,189	7,725	5,032	3,291	6,814
Carer's benefits <sup>4</sup>	26,229	23,753	21,790	20,235	19,898
Sickness-related benefits <sup>5</sup>	6,551	6,550	6,598	5,925	6,412
Invalid's Benefit	16,389	16,784	16,935	17,657	17,058
Widow's Benefit	3,589	3,298	2,901	2,558	2,495
Emergency Benefit	373	396	388	271	285
<b>Total</b>	<b>63,320</b>	<b>58,506</b>	<b>53,644</b>	<b>49,937</b>	<b>52,962</b>

## Notes

- 1 Type of main benefit received at the time when the last income declaration effective in the year ended June was made.
- 2 Number of working-age recipients of a main benefit with one or more income declarations effective in the years ended June. The income declarations referred to here may include income received over part or all of the year ended June, and may also include income received over parts of earlier or later years.
- 3 Unemployment-associated benefits comprise Unemployment Benefits, Unemployment Benefits – Hardship, Unemployment Benefits – Training, Unemployment Benefits – Hardship – Training, Unemployment Benefits – Student – Hardship, Independent Youth Benefits paid to clients aged 18 years or over.
- 4 Comprise Domestic Purposes Benefits – Sole Parent, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.
- 5 Comprise Sickness Benefits and Sickness Benefits – Hardship.

### Trends since 1940 in use of, and expenditure on, New Zealand Superannuation, pensions and main benefits

Table BU.1 shows trends since 1940 in the number of clients receiving New Zealand Superannuation, pensions and main benefits. Table BU.2 shows trends since 1940 in expenditure on these financial services.

Please note that figures given in table BU.2 include expenditure on supplementary benefits to people who are also receiving the financial services indicated, while expenditure data published in other sources may not. In addition, expenditure data in table BU.2 (from 1996) reflects deductions for debts established and for clients receiving overseas pensions as well as the New Zealand Superannuation, pensions or benefits shown. For these reasons, data in table BU.2 may differ from expenditure information on benefits and pensions published in other sources.



table  
BU.1Historical summary – number of people receiving New Zealand Superannuation, pensions and main benefits 1940–2009<sup>1,2</sup>

Year <sup>3</sup>	Unemployment-associated benefits and Emergency Benefits <sup>4</sup>	Independent Youth Benefit <sup>5</sup>	Sickness-related benefits <sup>6</sup>	Invalid's Benefit	Miner's Benefit	Carer's benefits <sup>7</sup>	Widow's Benefit	Unsupported Child's Benefit and Orphan's Benefit	Family Benefit <sup>8</sup>	Transitional Retirement Benefit <sup>9</sup>	NZ Super-annuation <sup>10</sup>	Veteran's Pension <sup>11</sup>
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	254,9208		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
2009	66,678	1,750	54,892	87,158		105,182	6,034	8,034			530,758	11,016

## Notes

- 1 An historical summary of the number of people receiving New Zealand Superannuation, 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, Unemployment Benefits – Hardship, Unemployment Benefits – Training, Unemployment Benefits – Hardship – Training, Unemployment Benefits – Student – Hardship, 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 Benefits 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 years on 1 April 1992, and was raised progressively to reach 65 years on 1 April 2001. This table excludes non-qualified spouses before 1996, but includes them for 1996 and for later years.
- 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  
BU.2
**Historical summary – expenditure on New Zealand Superannuation, pensions and main benefits  
1940–2009 (\$000)<sup>1,2,3,4,5</sup>**

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

## 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 New Zealand Superannuation, benefits and pensions shown. The selected supplementary benefits are Accommodation Supplements, Disability Allowances, Telephone Costs Payment (previously known as 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, Employment Transition Programme, Pathways Payment, New Employment Transition Grant, Seasonal Work Assistance, Course Participation Assistance, Transitional Working for Families Supplement, Transitional Supplement, Student Allowance Transfer Grants and Residential Social Rehabilitation Assistance Programme payments, Transitional Assistance, and Redundancy Assistance 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, Unemployment Benefits – Hardship, Unemployment Benefits – Training, Unemployment Benefits – Hardship – Training, Unemployment Benefits – Student – Hardship, Emergency Benefits paid to unemployed people or to people in training, and on Independent Youth Benefits. Includes expenditure on unemployment-associated 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-associated 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 years on 1 April 1992, and was raised progressively to reach 65 years on 1 April 2001. This table includes expenditure since 1940 on non-qualified spouses receiving New Zealand Superannuation.
- 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.

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## Unemployment-associated benefits

### Which benefits are these?

This group of main benefits comprises:

- Unemployment Benefits
- Unemployment Benefits – Hardship
- Unemployment Benefits – Training
- Unemployment Benefits – Hardship – Training
- Unemployment Benefits – Student – Hardship
- Independent Youth Benefits.

### *Some of these benefits have been renamed*

Between 1 October 1998 and 30 June 2001:

- an Unemployment Benefit was known as a Community Wage – Job Seeker
- an Unemployment Benefit – Hardship was known as a Community Wage – Emergency Job Seeker
- an Unemployment Benefit – Training was known as a Community Wage – Training
- an Unemployment Benefit – Hardship – Training was known as a Community Wage – Emergency Training.

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## Eligibility by specific benefit

### Unemployment Benefit

#### *Who is it available to?*

An Unemployment Benefit is available to people who are:  
available for and actively seeking full-time work

- not already in full-time employment
- willing and able to undertake suitable full-time work.

To be eligible to receive an Unemployment Benefit, clients must be:

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

#### *Income and residency tests, and pre-benefit requirements*

Residency and income tests apply.

Clients applying for an Unemployment Benefit must meet all pre-benefit requirements before receiving a benefit. Pre-benefit requirements may include such activities as attending pre-benefit courses or applying for jobs.

#### *Work tests*

Recipients are subject to a full-time work test. This requires them to:

- seek and be available for full-time work
- 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).

Completing approved training may be counted toward fulfilment of work test obligations.

***The spouses and partners of recipients are also work tested***

The type of work test for partners and spouses depends on the age of the couple's youngest dependent child.

From September 2007, these spouses and partners were subject to:

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

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

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

**Unemployment Benefit – Hardship*****Who is it available to?***

An Unemployment Benefit – Hardship is available to people who:

- meet all of the eligibility criteria for the Unemployment Benefit other than residency criteria
- have not been successful in supporting themselves through paid employment or other means.

***Income and residence tests, and pre-benefit requirements***

Income and asset tests apply. The same pre-benefit requirements apply as for the Unemployment Benefit.

**Unemployment Benefit – Training*****Who is it available to?***

An Unemployment Benefit – Training is available to full-time trainees on approved training courses.

To receive one, clients must be

- aged 18 years or over, or
- aged 16–17 years, married or in a civil union, and supporting dependent children
- available for, and be willing to undertake, suitable full-time work.

Recipients of an Unemployment Benefit – Training must remain available for work, and take reasonable steps to complete the job search requirements of an Unemployment Benefit.

***Income and residency tests, and pre-benefit requirements***

Residency and income tests apply. There are no pre-benefit requirements for an Unemployment Benefit – Training.

**Unemployment Benefit – Hardship – Training**

An Unemployment Benefit – Hardship – Training may be available to clients who meet all the criteria for Unemployment Benefit – Training apart from the residency test.

***Income and residence tests, and pre-benefit requirements***

Income and asset tests apply. No pre-benefit requirements apply for the Unemployment Benefit – Hardship – Training.

## Unemployment Benefit – Student – Hardship

### *Who is it available to?*

Full-time tertiary students who are unable to secure employment over the summer vacation may be eligible for an Unemployment Benefit – Student – Hardship.

To be eligible, students must:

- have received a Student Allowance during the academic year
- be entitled to receive a Student Allowance during the next academic year, or
- have exceptional circumstances.

### *Income and asset tests, and pre-benefit requirements*

Income and asset tests apply. No pre-benefit requirements apply to the Unemployment Benefit – Student – Hardship.

## Independent Youth Benefit

### *Who is it available to?*

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.

In addition, these young people must be:

- 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, injury or pregnancy.

Recipients of Independent Youth Benefits who are in full-time education when they turn 18 years old may continue to receive an Independent Youth Benefit until the end of the academic year.

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.

### *Income and residence testing, and pre-benefit requirements*

Residency and income tests apply. There are no additional pre-benefit requirements.

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

### *Numbers receiving unemployment-associated benefits increased steeply between 2008 and 2009*

This increase (see table UA.1):

- largely reflected deteriorating economic conditions
- followed four years of decreases.

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

A small number of unemployment-associated benefits were received by non-working-age clients (see table UA.1). A large majority of these benefits were Independent Youth Benefits received by 16–17 year olds.

***Clients receiving unemployment-associated benefits became more likely to be young people***

Thirty-six percent of working-age recipients of unemployment related benefits were aged 18–24 years (see table UA.1). This compared with 25% in 2007.

Over the same period, the proportion of these clients who were aged 55–64 decreased (from 21% to 10%) (see table UA.1).

table  
UA.1

**Ages of recipients of an unemployment-associated benefit**

Age of client at the end of June	2005 Number	2006 Number	2007 Number	2008 Number	2009 Number
<b>Working-age clients receiving an unemployment-associated benefit<sup>1,2</sup></b>					
18–19 years	5,630	4,550	2,787	2,893	8,540
20–24 years	9,651	7,587	4,713	4,123	12,628
25–29 years	6,578	5,627	3,456	2,873	7,644
30–34 years	5,367	4,545	2,904	2,425	5,435
35–39 years	4,819	4,106	2,789	2,249	5,176
40–44 years	4,312	3,706	2,507	2,097	4,908
45–49 years	3,875	3,385	2,342	2,111	4,760
50–54 years	3,347	2,816	1,931	1,665	3,758
55–59 years	3,398	2,735	1,716	1,375	2,795
60–64 years	8,365	6,441	4,343	2,474	2,817
<b>Total working-age clients</b>	<b>55,342</b>	<b>45,498</b>	<b>29,488</b>	<b>24,285</b>	<b>58,461</b>
<b>Other clients receiving an unemployment-associated benefit<sup>1,2</sup></b>					
<b>Total other clients</b>	<b>2,497</b>	<b>1,930</b>	<b>1,437</b>	<b>1,365</b>	<b>1,904</b>
<b>All clients receiving an unemployment-associated benefit<sup>1,2</sup></b>					
<b>Total</b>	<b>57,839</b>	<b>47,428</b>	<b>30,925</b>	<b>25,650</b>	<b>60,365</b>

Notes

- 1 Comprises Unemployment Benefits, Unemployment Benefits – Hardship, Unemployment Benefits – Training, Unemployment Benefits – Hardship – Training, Unemployment Benefits – Student – Hardship, Independent Youth Benefits paid to clients aged 18 years or over.
- 2 Numbers of clients recorded in SWIFTT as receiving an unemployment-associated benefit at the end of June.

***Recently, recipients of an unemployment-associated benefit became less likely to be in training***

Thirteen percent of working-age recipients of unemployment related benefits in 2009 were receiving an Unemployment Benefit – Training or an Unemployment Benefit – Hardship – Training (see table UA.2). This compared with 26% in 2008.

This decrease reflected growth in the number of clients seeking work that resulted from the recession.



table  
UA.2**Types of unemployment-associated benefit received by working-age clients**

Type of unemployment-associated benefit received at the end of June	Working-age clients receiving an unemployment-associated benefit <sup>1</sup>				
	2005 Number	2006 Number	2007 Number	2008 Number	2009 Number
Unemployment Benefits and Unemployment Benefits – Hardship	50,714	39,752	23,159	17,710	50,855
Unemployment Benefits – Training and Unemployment Benefits – Hardship – Training	4,364	5,566	6,099	6,432	7,356
Unemployment Benefits – Student – Hardship	167	115	139	91	198
Independent Youth Benefit	97	65	91	52	52
<b>Total</b>	<b>55,342</b>	<b>45,498</b>	<b>29,488</b>	<b>24,285</b>	<b>58,461</b>

## Note

- 1 Numbers of working-age clients recorded in SWIFTT as receiving an unemployment-associated benefit at the end of June.

***In the last year, long-term recipients became a smaller proportion of all clients receiving unemployment-associated benefits***

As unemployment rose with the onset of the recession, the pool of people receiving unemployment-associated benefits grew. Because new people came onto these benefits, long-term recipients came to form a smaller share of the pool. Thirty percent of recipients in 2009 had received their benefit for more than six months (see table UA.3). This compared with 52% a year earlier.

table  
UA.3**Length of current spell on benefit for working-age clients receiving an unemployment-associated benefit**

Length of current spell to the end of June	Working-age clients receiving an unemployment-associated benefit <sup>1,2</sup>				
	2005 Number	2006 Number	2007 Number	2008 Number	2009 Number
Under 6 months	23,810	21,374	14,096	14,032	40,938
6 months–2 years	17,510	14,875	9,142	6,403	14,554
2–4 years	6,243	4,063	3,109	2,076	1,742
Over 4 years	7,779	5,186	3,141	1,774	1,227
<b>Total</b>	<b>55,342</b>	<b>45,498</b>	<b>29,488</b>	<b>24,285</b>	<b>58,461</b>

## Notes

- 1 Unemployment-associated benefits comprise Unemployment Benefits, Unemployment Benefits – Hardship, Unemployment Benefits – Training, Unemployment Benefits – Hardship – Training, Unemployment Benefits – Student – Hardship, Independent Youth Benefits paid to clients aged 18 years or over.
- 2 Numbers of working-age clients recorded in SWIFTT as receiving an unemployment-associated benefit at the end of June.

For a longer time series of numbers receiving unemployment-associated benefits, see table BU.1.

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

The proportion of working-age New Zealanders receiving an unemployment-associated benefit increased between 2008 and 2009.

This increase (see figure UA.1):

- largely reflected the impact of the recession
- followed three years of decreases.

The decreases between 2004/2005 and 2007/2008 reflected the economic, policy and operational factors outlined earlier.

### Young people and people nearing retirement were most likely to be receiving unemployment-associated benefits

Over this period, 18–24 year olds and 60–64 year olds were more likely than other age groups to be receiving an unemployment-associated benefit (see figure UA.1).

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

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

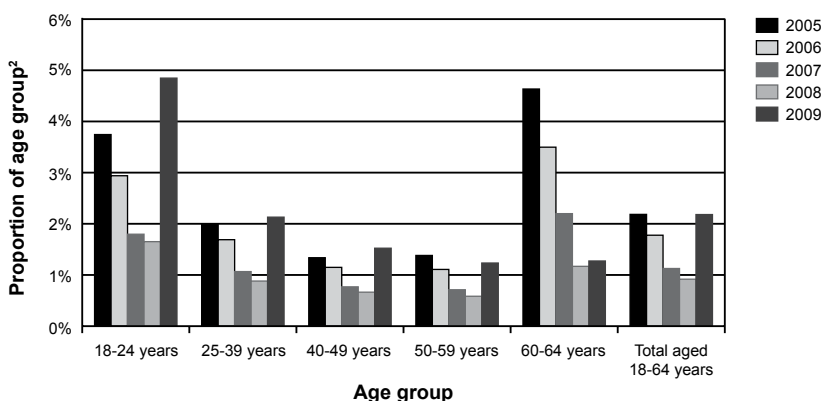
Young people (18–24 year olds) showed the steepest increase between 2008 and 2009 in use of unemployment-associated benefits. Many of this group are entering the workforce for the first time after finishing their education. They are consequently particularly vulnerable to unemployment during an economic downturn.

Young people (18–24 year olds) and 60–64 year olds also experienced the steepest falls between 2005 and 2008 in the proportion receiving unemployment-associated benefits. This reflected:

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

figure UA.1

Proportions of working-age people receiving an unemployment-associated benefit,<sup>1</sup> by age



Notes

- 1 Unemployment-associated benefits comprise Unemployment Benefits, Unemployment Benefits – Hardship, Unemployment Benefits – Training, Unemployment Benefits – Hardship – Training, Unemployment Benefits – Student – Hardship, Independent Youth Benefits paid to clients aged 18 years or over.
- 2 Proportion shows:
  - a number in age group who are recorded in SWIFTT as receiving an unemployment-associated 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 PP.1 for a summary of the data underlying figure UA.1.

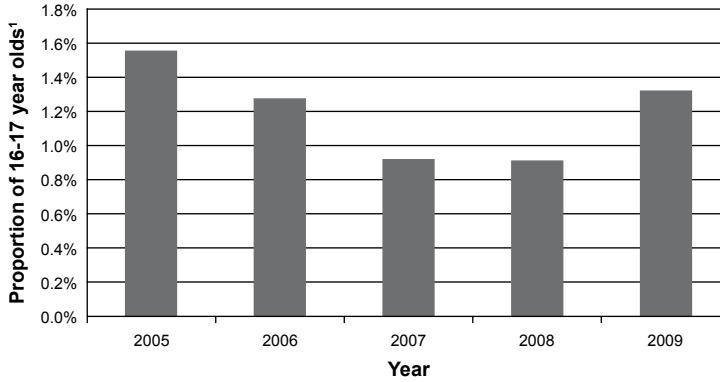
***In 2008/09, the proportion of 16–17 year olds receiving Independent Youth Benefits increased***

This increase (see figure UA.2) reflected a combination of:

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

**figure  
UA.2**

**Proportions of 16–17 year olds receiving an Independent Youth Benefit**



Note

- 1 Proportion shows:
  - a numbers 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 PP.2 for a summary of the data underlying figure UA.2.

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**Trends in unemployment-associated benefits granted**

***The numbers of unemployment-associated benefits granted increased in 2008/09***

This increase (see table UA.4):

- largely reflected deteriorating economic conditions
- followed three years of decreases.

A small number of unemployment-associated benefits were granted to non-working-age clients (see table UA.4). Most of those benefits were Independent Youth Benefits granted to 16–17 year olds.

***Clients granted unemployment-associated benefits more recently were more likely to have not received a main benefit in the previous four years***

Thirty-eight percent of working-age clients granted unemployment-associated benefits in 2008/2009 had not received a main benefit in the previous four years (see table UA.4). This compared with 23% in 2007/2008.

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

table  
UA.4**Length of periods since clients granted an unemployment-associated benefit last received any main benefit**

Period since client last received any main benefit	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number
	<b>Unemployment-associated benefits granted to working-age clients<sup>1,2</sup></b>				
None (clients transferring within the benefit system) <sup>3</sup>	27,451	25,406	24,299	22,123	28,257
Under 6 months	22,482	18,584	15,680	12,525	15,860
6–12 months	22,309	18,216	14,497	12,452	13,766
12–18 months	5,616	5,215	3,923	3,638	5,437
18 months–2 years	4,576	4,514	3,445	2,929	4,900
2–4 years	7,406	7,641	6,274	5,178	10,516
Had not received a main benefit in previous 4 years	25,668	24,369	20,524	17,990	48,191
<b>Total granted to working-age clients</b>	<b>115,508</b>	<b>103,945</b>	<b>88,642</b>	<b>76,835</b>	<b>126,927</b>
	<b>Unemployment-associated benefits granted to other clients<sup>1,2</sup></b>				
<b>Total granted to other clients</b>	<b>4,375</b>	<b>3,743</b>	<b>3,030</b>	<b>2,872</b>	<b>3,556</b>
	<b>Total unemployment-associated benefits<sup>1,2</sup></b>				
<b>Total</b>	<b>119,883</b>	<b>107,688</b>	<b>91,672</b>	<b>79,707</b>	<b>130,483</b>

## Notes

- 1 Unemployment-associated benefits comprise Unemployment Benefits, Unemployment Benefits – Hardship, Unemployment Benefits – Training, Unemployment Benefits – Hardship – Training, Unemployment Benefits – Student – Hardship, Independent Youth Benefits paid to clients aged 18 years or over.
- 2 Numbers of successful applications for unemployment-associated benefits recorded in SWIFTT during years ended June.
- 3 Includes transfers from a different type of benefit or from the same type of benefit. Transfers from the same type of benefit occur when benefits are cancelled and restarted for administrative reasons (eg a review of entitlement).

***Clients granted unemployment-associated benefits became less likely to be in training or to be seeking short-term support before entering full-time study***

Nineteen percent of unemployment-associated benefits granted in 2008/2009 were (see table UA.5):

- Unemployment Benefits – Training or Unemployment Benefits – Hardship – Training
- Unemployment Benefits – Student – Hardship.

This compared with 27% in 2007/2008. The change reflected rising demand for unemployment-associated benefits by other unemployed people.

The decrease from 2007/2008 followed three years of increases.

table  
UA.5**Types of unemployment-associated benefit granted to working-age clients**

Type of unemployment-associated benefit granted	Unemployment-associated benefits granted to working-age clients <sup>1</sup>				
	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number
Unemployment Benefits and Unemployment Benefits – Hardship	90,790	80,941	65,736	56,094	102,367
Unemployment Benefits – Training and Unemployment Benefits – Hardship – Training	9,268	10,210	11,965	11,876	13,360
Unemployment Benefit – Student – Hardship	15,450	12,794	10,941	8,865	11,200
<b>Total</b>	<b>115,508</b>	<b>103,945</b>	<b>88,642</b>	<b>76,835</b>	<b>126,927</b>

## Note

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

**Trends in cancellations of unemployment-associated benefits*****Numbers of unemployment-associated benefits cancelled increased in 2008/09***

This increase (see table UA.6):

- reflected increases in the numbers receiving unemployment-associated benefits
- followed three years of decreases, which also reflected changes in numbers receiving unemployment-associated benefits.

A small number of these cancellations were by non-working-age clients (see table UA.6). A large majority of these were cancellations of Independent Youth Benefits by 16–17 year olds.

***Around one-seventh of unemployment-associated benefits cancelled were for people in training***

From 2007/2008 to 2008/2009, 14% of unemployment-associated benefits cancelled by working-age clients were paid to people in training (see table UA.6). Other working-age unemployed people received most of the unemployment-associated benefits cancelled (around 73%).

table  
UA.6**Types of unemployment-associated benefit cancelled**

Type of unemployment-associated benefit cancelled	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number
	<b>Cancellations of unemployment-associated benefits by working-age clients<sup>1,2</sup></b>				
Unemployment Benefits or Unemployment Benefits – Hardship	111,441	90,822	83,991	61,240	65,940
Unemployment Benefits – Training or Unemployment Benefits – Hardship – Training	9,430	8,845	11,227	11,639	12,556
Unemployment Benefit – Student – Hardship	15,387	12,895	10,971	8,874	11,204
Independent Youth Benefit	811	753	638	967	1,114
<b>Total unemployment-associated benefits cancelled by working-age clients</b>	<b>137,069</b>	<b>113,315</b>	<b>106,827</b>	<b>82,720</b>	<b>90,814</b>
	<b>Cancellations of unemployment-associated benefits by other clients<sup>1,2</sup></b>				
<b>Total unemployment-associated benefits cancelled by other clients</b>	<b>5,450</b>	<b>4,490</b>	<b>3,662</b>	<b>2,516</b>	<b>2,202</b>
	<b>Cancellations of unemployment-associated benefits by all clients<sup>1,2</sup></b>				
<b>Total unemployment-associated benefits cancelled by all clients</b>	<b>142,519</b>	<b>117,805</b>	<b>110,489</b>	<b>85,236</b>	<b>93,016</b>

## Notes

- 1 Unemployment-associated benefits comprise Unemployment Benefits, Unemployment Benefits – Hardship, Unemployment Benefits – Training, Unemployment Benefits – Hardship – Training, Unemployment Benefits – Student – Hardship, Independent Youth Benefits paid to clients aged 18 years or over.
- 2 Number of cancellations of unemployment-associated benefits recorded in SWIFTT during years ended June.

***Between 2004/2005 and 2008/2009, clients cancelling unemployment-associated benefits became less likely to be entering paid work***

Thirty-four percent of the working-age clients cancelling unemployment-associated benefits in 2008/2009 entered paid work (see table UA.7). This compared with 45% in 2004/2005.

This reflected a combination of:

- decreases in numbers receiving unemployment-associated benefits
- the impact on job opportunities of the recession in 2008 and 2009.

table  
UA.7**Recorded reasons for working-age clients cancelling unemployment-associated benefits**

Reason for cancellation	Cancellations of unemployment-associated benefits by working-age clients <sup>1,2</sup>				
	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number
Obtained paid work <sup>3</sup>	61,611	48,144	43,606	31,680	31,127
Other <sup>3,4</sup>	75,458	65,171	63,221	51,040	59,687
<b>Total cancelled by working-age clients</b>	<b>137,069</b>	<b>113,315</b>	<b>106,827</b>	<b>82,720</b>	<b>90,814</b>

## Notes

- 1 Unemployment-associated benefits comprise Unemployment Benefits, Unemployment Benefits – Hardship, Unemployment Benefits – Training, Unemployment Benefits – Hardship – Training, Unemployment Benefits – Student – Hardship, Independent Youth Benefits paid to clients aged 18 years or over.
- 2 Numbers of cancellations of unemployment-associated 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 These cancellations occurred for administrative reasons (eg to test ongoing eligibility or change payment rates), because clients transferred to another benefit, or because clients moved out of the benefit system without taking up paid work. People may leave the benefit system without taking up work for a range of reasons including entering full-time study, entering a new relationship, or leaving the country.

**Trends in the number of transfers to other benefit types*****The number of transfers from unemployment-associated benefits increased as the economy moved into recession***

This increase (see table UA.8) reflected increases in numbers receiving unemployment-associated benefits.

***Over the past five years, transfers from unemployment-associated benefits became increasingly likely to be to another unemployment-associated benefit***

Sixty-five percent of transfers from unemployment-associated benefits in 2008/2009 were to another unemployment-associated benefit (see table UA.8). This compared with 52% in 2004/2005.

table  
UA.8**Transfers within the benefit system from unemployment-associated benefits by working-age clients**

Type of transfer	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number
Transferred to New Zealand Superannuation, pensions or another type of main benefit	14,972	12,689	12,187	9,839	10,228
Transferred within the group of unemployment-associated benefits <sup>1,2</sup>	16,422	16,036	16,685	15,252	18,974
<b>Total transfers</b>	<b>31,394</b>	<b>28,725</b>	<b>28,872</b>	<b>25,091</b>	<b>29,202</b>

## Notes

- 1 Unemployment-associated benefits comprise Unemployment Benefits, Unemployment Benefits – Hardship, Unemployment Benefits – Training, Unemployment Benefits – Hardship – Training, Unemployment Benefits – Student – Hardship, Independent Youth Benefits paid to clients aged 18 years or over.
- 2 Numbers of transfers from unemployment-associated benefits recorded in SWIFTT during years ended June. The date of these transfers reflects the date at which the new benefit was granted, not the date at which the former benefit was cancelled.

## Trends in expenditure on unemployment-associated benefits and Emergency Benefits<sup>UR1</sup>

### *Expenditure on unemployment-associated benefits and Emergency Benefits increased between 2007/2008 and 2008/2009*

This increase (see table UA.9):

- reflected increased numbers receiving unemployment-associated benefits as a result of the recession
- followed eight years of decreases.

The decreases between 1999/2000 and 2007/2008 reflect changing use of these benefits associated with:

- changes in economic conditions
- the impact of recent Ministry of Social Development (MSD) initiatives aimed at moving benefit recipients into work.

table  
UA.9

### Annual expenditure on unemployment-associated benefits and Emergency Benefits<sup>1</sup>

Year ended June	Expenditure on unemployment-associated benefits and Emergency Benefits <sup>2,3,4</sup> (\$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
2008/2009	661

#### Notes

- 1 Unemployment-associated benefits comprise Unemployment Benefits, Unemployment Benefits – Hardship, Unemployment Benefits – Training, Unemployment Benefits – Hardship – Training, Unemployment Benefits – Student – Hardship, Independent Youth Benefits paid to clients aged 18 years or over. 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-associated benefits or Emergency Benefits in years ended June. Expenditure shown includes supplementary benefits provided to recipients of an unemployment-associated 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.

UR1 Table UA.9 and figure UA.3 include expenditure on:

- Emergency Unemployment Benefits that were payable until 1 October 1998
- Emergency Benefits paid thereafter.

This is done in order to maintain a consistent expenditure time series.



**Expenditure on unemployment-associated benefits and Emergency Benefits showed seasonal variation between 1995/1996 and 2008/2009**

Monthly expenditure on unemployment-associated benefits and Emergency Benefits showed:

- significant seasonal increases over the summer months
- weaker seasonal increases during winter (see figure UA.3).

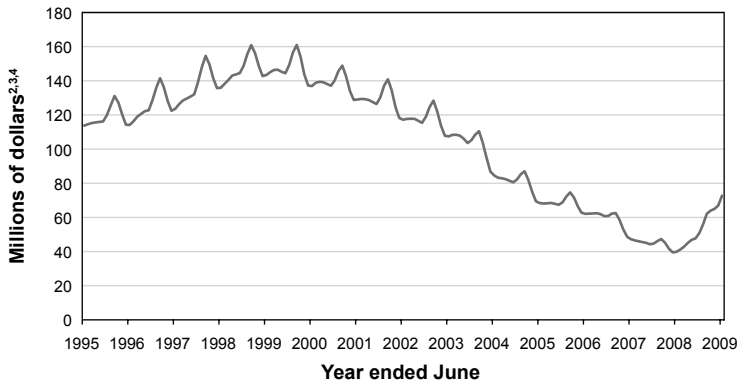
These patterns reflected seasonal increases in demand for these benefits from:

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

In 2008/2009, the usual seasonal pattern was dominated by the increase in numbers receiving unemployment-associated benefits resulting from economic recession.

figure  
UA.3

**Monthly expenditure on unemployment-associated benefits and Emergency Benefits<sup>1</sup>**



Notes

- 1 Unemployment-associated benefits comprise Unemployment Benefits, Unemployment Benefits – Hardship, Unemployment Benefits – Training, Unemployment Benefits – Hardship – Training, Unemployment Benefits – Student – Hardship, Independent Youth Benefits paid to clients aged 18 years or over. 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-associated benefits and Emergency Benefits. Expenditure shown includes supplementary benefits paid to recipients of unemployment-associated 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.

**For more information about expenditure on unemployment-associated benefits and Emergency Benefits, see table BU.2**

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

This table includes expenditure on supplementary benefits paid to people receiving either of these main benefits.<sup>UR2</sup>

UR2 From 1996, expenditure data shown in table BU.2 reflects deductions for debt established and clients receiving these benefits as well as an overseas pension. The data in table UA.6 and figure UA.3 does not reflect these deductions.

---

## Carer's benefits

### *Which benefits are these?*

This group of main benefits comprises:

- Domestic Purposes Benefits – Sole Parent
- Domestic Purposes Benefits – Care of Sick or Infirm
- Domestic Purposes Benefits – Women Alone
- Emergency Maintenance Allowances.

---

## Eligible by specific type of carer's benefit

### Domestic Purposes Benefit – Sole Parent

#### *Who is it available to?*

A Domestic Purposes Benefit – Sole Parent is available to the parent of a dependent child who:

- is aged under 18 years
- lives with them.

To be eligible for a Domestic Purposes Benefit – Sole Parent, the parents must:

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

In addition, clients must either:

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

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

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

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

#### *Income and residency tests, and pre-benefit requirements*

Residency and income tests apply. There are no pre-benefit requirements for a Domestic Purposes Benefit – Sole Parent.

#### *Work tests*

Over recent years, clients receiving a Domestic Purposes Benefit – Sole Parent were obliged to meet the requirements of the Personal Development and Employment planning process if required to by their case manager.

The Personal Development and Employment planning process was introduced in March 2003.

This process involved developing and implementing a plan that aimed at assisting clients in moving toward employment. The ultimate aim of this plan was to move the client toward economic and social participation in society.

#### *What happens to the Child Support paid by the other parent of the child?*

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

### **Domestic Purposes Benefit – Care of Sick or Infirm**

#### ***Who is it available to?***

A Domestic Purposes Benefit – Care of Sick or Infirm is available to people who are caring on a full-time basis for someone (other than a partner). The person being cared for must:

- be in their home
- have an incapacity or condition which means they would otherwise be receiving:
  - hospital care
  - rest home care
  - residential disability care
  - extended care services provided for severely disabled children and young people, or
  - care of an equivalent kind.

To be eligible for a Domestic Purposes Benefit – Care of Sick or Infirm, clients must be aged 16 years or over.

#### ***Income and residency tests, and pre-benefit requirements***

Residency and income tests apply. There are no pre-benefit requirements for a Domestic Purposes Benefit – Care of Sick or Infirm.

#### ***Work tests***

Recipients of Domestic Purposes Benefits – Care of Sick or Infirm are not work tested. These clients may, however, be required to attend annual interviews to plan their entry into paid work once their caring responsibilities have ended.

### **Domestic Purposes Benefit – Women Alone**

#### ***Who is it available to?***

A Domestic Purposes Benefit – Women Alone is available to women who are:

- without the support of a partner
- without dependent children.

To be eligible for this benefit, these women must have become alone or lost the support of a partner after:

- turning 50 years of age
- either:
  - caring for dependent children for at least 15 years
  - caring full-time for a sick or frail relative for at least five years, or
  - being supported by their partner for at least five years.

#### ***Residency and income tests, and pre-benefit requirements***

Residency and income tests apply. There are no pre-benefit requirements for a Domestic Purposes Benefit – Women Alone.

#### ***Work tests***

Over recent years, clients receiving a Domestic Purposes Benefit – Women Alone have been obliged to meet the requirements of the Personal Development and Employment (PDE) planning process if required to by their case manager. The Personal Development and Employment planning process was introduced in March 2003.

This process involves developing and implementing a plan that aimed at assisting clients in moving toward employment. The ultimate aim of this plan was to move the client toward economic and social participation in society.

## Emergency Maintenance Allowance

### *Who is it available to?*

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
- 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.

### *Residency and income tests, and pre-benefit requirements*

Residency and income tests apply. There are no pre-benefit requirements for an Emergency Maintenance Allowance.

### *Work tests*

Over recent years, clients receiving an Emergency Maintenance Allowance were obliged to meet the requirements of the Personal Development and Employment (PDE) planning process if required to by their case manager. The PDE planning process was introduced in March 2003.

This process involved developing and implementing a plan that aimed at assisting clients in moving toward employment. The ultimate aim of this plan is to move the client toward economic and social participation in society.

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

### *Numbers receiving carer's benefits increased in recent years*

This increase (see table CB.1) reflected, at least in part, the impact of economic recession on job opportunities for sole parents.

### *Between 2005 and 2009, almost all recipients of carer's benefits were sole parents*

Eighty-nine percent of carer's recipients in 2009 were receiving a Domestic Purposes Benefit – Sole Parent (see table CB.1). This compared with 93% in 2005.

Numbers receiving Domestic Purposes Benefit – Care of Sick or Infirm grew faster between 2007 and 2009 than in earlier years (see table CB.1). This reflected, at least in part, the impact of a Work and Income campaign aimed at ensuring that people caring for others are receiving their full and correct entitlements.

table  
CB.1**Types of carer's benefits received**

Type of carer's benefits received at the end of June	2005 Number	2006 Number	2007 Number	2008 Number	2009 Number
	Working-age clients receiving a carer's benefit <sup>1,2</sup>				
Domestic Purposes Benefits – Sole Parent	97,882	93,348	87,601	86,695	93,404
Domestic Purposes Benefits – Care of Sick or Infirm	3,775	4,131	4,485	5,246	6,016
Domestic Purposes Benefits – Women Alone	3,043	2,897	2,838	2,842	3,149
Emergency Maintenance Allowances	947	1,265	1,543	1,657	1,831
<b>Total received by working-age clients</b>	<b>105,647</b>	<b>101,641</b>	<b>96,467</b>	<b>96,440</b>	<b>104,400</b>
	Other clients receiving a carer's benefit <sup>1,2</sup>				
<b>Total received by other clients</b>	<b>683</b>	<b>690</b>	<b>644</b>	<b>717</b>	<b>782</b>
	All clients receiving a carer's benefit <sup>1,2</sup>				
<b>Total</b>	<b>106,330</b>	<b>102,331</b>	<b>97,111</b>	<b>97,157</b>	<b>105,182</b>

## 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.

**Between 2005 and 2009, around half of the recipients of Domestic Purposes Benefits – Sole Parents or Emergency Maintenance Allowances had at least one dependent child aged less than five years**

Over this period, around 48% of working-age recipients of Domestic Purposes Benefits – Sole Parent or Emergency Maintenance Allowances had at least one child aged under five years (see table CB.2). Almost all recipients of these benefits had at least one child aged less than 14 years.

table  
CB.2**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 <sup>1</sup>				
	2005 Number	2006 Number	2007 Number	2008 Number	2009 Number
0–4 years	46,362	44,263	42,530	43,147	46,734
5–9 years	28,041	26,514	24,296	23,283	24,513
10–13 years	15,248	14,438	13,273	12,934	13,832
14–17 years	8,902	9,077	8,710	8,615	9,700
18–19 years	195	240	260	232	288
Not caring for children <sup>2</sup>	81	81	75	141	168
<b>Total</b>	<b>98,829</b>	<b>94,613</b>	<b>89,144</b>	<b>88,352</b>	<b>95,235</b>

## 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.

For more information on numbers receiving carer's benefits, see table BU.1.

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

***Working-age New Zealanders became slightly more likely to be receiving Domestic Purposes Benefits – Sole Parent or Emergency Maintenance Allowances in 2008/2009***

This increase (see figure CB.1):

- reflected, at least in part, the impact of the recession on job opportunities for sole parents and on rates of relationship breakdown
- followed three years of decreases.

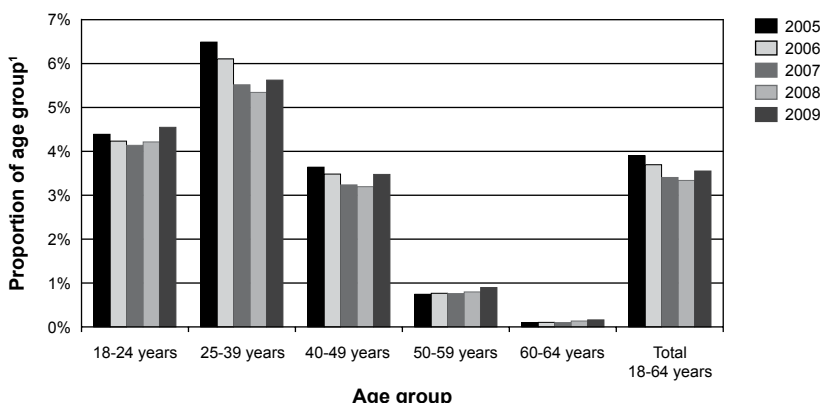
***Between 2005 and 2009, younger people were most likely to be receiving these benefits***

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

- women who are having children
- people when relationship breakdown occurs.

**figure  
CB.1**

**Proportions 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 PP.3 for a summary of the data underlying figure CB.1.

Between 2005 and 2009, very small numbers (0.2% or less) of working-age people received:

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



## Trends in carer's benefits granted

### *Numbers of carer's benefits granted increased in recent years*

This increase (see table CB.3) followed decreases over the previous two years.

### *Clients granted carer's benefits in 2008/09 became slightly more likely to have not received benefits recently*

Thirty-eight percent of the clients granted carer's benefits in 2008/2009 had not received a main benefit for at least two years (see table CB.3). This compared with 33% in 2007/2008.

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

table  
CB.3

### Length of periods since clients granted carer's benefits last received any main benefit

Period since client last received any main benefit	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number
<b>Carer's benefits granted to working-age clients<sup>1,2</sup></b>					
None (clients transferring within the benefit system) <sup>3</sup>	10,217	9,260	9,447	10,035	10,654
Under 6 months	6,783	6,402	6,559	6,748	6,911
6–12 months	3,586	3,640	3,341	3,819	3,965
12–18 months	2,008	2,169	1,917	2,340	2,517
18 months–2 years	1,433	1,474	1,372	1,598	1,966
2–4 years	3,295	3,162	3,061	3,393	4,365
Had not received a main benefit in previous four years	7,982	8,035	7,774	8,561	11,433
<b>Total granted to working-age clients</b>	<b>35,304</b>	<b>34,142</b>	<b>33,471</b>	<b>36,494</b>	<b>41,811</b>
<b>Carer's benefits granted to other clients<sup>1,2</sup></b>					
<b>Total granted to other clients</b>	<b>894</b>	<b>906</b>	<b>940</b>	<b>1,054</b>	<b>1,100</b>
<b>Total carer's benefits<sup>1,2</sup></b>					
<b>Total</b>	<b>36,198</b>	<b>35,048</b>	<b>34,411</b>	<b>37,548</b>	<b>42,911</b>

#### 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 transfers from a different type of benefit or from the same type of benefit. Transfers from the same type of benefit occur when benefits are cancelled and restarted for administrative reasons (eg a review of entitlement).

### *Numbers of Domestic Purposes Benefits – Sole Parent and Emergency Maintenance Allowances granted increased*

The increase between 2006/2007 and 2008/2009 (see table CB.4) followed two years of decreases.

### *In the last two years, around three in five of these clients had a dependent child aged under five years*

Over this period, around 60% of the working-age clients granted these benefits had at least one dependent child aged under five years (see table CB.4). Nearly all (around 92%) had at least one dependent child aged under 14 years.

table  
CB.4**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 <sup>1</sup>				
	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number
0–4 years	19,158	18,555	18,318	19,586	21,779
5–9 years	6,637	6,272	6,060	6,418	7,376
10–13 years	3,793	3,626	3,353	3,762	4,539
14–17 years	2,248	2,255	2,164	2,402	3,274
18–19 years	17	24	15	13	28
Unspecified	0	14	0	0	0
Not applicable (no child linked to the benefit) <sup>2</sup>	61	59	65	82	99
<b>Total</b>	<b>31,914</b>	<b>30,805</b>	<b>29,975</b>	<b>32,263</b>	<b>37,095</b>

## Notes

- 1 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.
- 2 Clients have been granted these benefits while the custody and care circumstances of the children involved are clarified. In most cases, these benefits are paid at a rate similar to Unemployment Benefits received by single people with no children.

**Trends in cancellations of carer's benefits****Numbers cancelling carer's benefits decreased between 2006/2007 and 2008/2009**

This decrease (see table CB.5) followed two years of relatively unchanged cancellation numbers.

table  
CB.5**Ages of clients cancelling carer's benefits**

Age group of client at date of cancellation	Cancellations of carer's benefits <sup>1,2</sup>				
	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number
Working-age clients	38,960	38,698	39,273	36,873	34,566
Other clients	304	346	370	351	375
<b>Total</b>	<b>39,264</b>	<b>39,044</b>	<b>39,643</b>	<b>37,224</b>	<b>34,941</b>

## 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.

**Clients cancelling carer's benefits became less likely to be entering paid work**

Thirty-four percent of working-age clients cancelling carer's benefits in 2008/2009 entered paid work (see table CB.6). This compared with 40% in 2007/2008.

This decrease reflects the impact of the recession on the availability of work opportunities.

The most common "other" reason for cancelling a carer's benefit was clients entering another relationship or reconciling with a former partner.



table  
CB.6**Recorded reasons for working-age clients cancelling carer's benefits**

Reason for cancellation	Cancellations of carer's benefits <sup>1,2</sup>				
	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number
Obtained paid work <sup>3</sup>	13,622	14,525	16,223	14,754	11,706
Other <sup>3,4</sup>	25,338	24,173	23,050	22,119	22,860
<b>Total cancelled by working-age clients</b>	<b>38,960</b>	<b>38,698</b>	<b>39,273</b>	<b>36,873</b>	<b>34,566</b>

## 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 These cancellations occurred for administrative reasons (eg to test ongoing eligibility or change payment rates), because clients transferred to another benefit, or because clients moved out of the benefit system without taking up paid work. People may leave the benefit system without taking up work for a range of reasons including entering full-time study, entering a new relationship, or leaving the country.

**Trends in number of transfers to other benefit types****Numbers of transfers from carer's benefits increased**

The increase between 2007/2008 and 2008/2009 (see table CB.7):

- reflected increased numbers receiving carer's benefits
- followed two years of decreasing transfers and one year when transfer numbers remained relatively unchanged.

**In 2008/09, transfers from carer's benefits became slightly more likely to be to a different type of main benefit**

Fifty-nine percent of transfers from carer's benefits in 2008/2009 were to other main benefits (see table CB.7). This compares with 57% in 2007/2008.

This change largely reflected increased transfers from carer's benefits to unemployment-associated benefits.

table  
CB.7**Transfers from carer's benefits by working-age clients<sup>1,2</sup>**

Type of transfer	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number
Transferred to New Zealand Superannuation, pensions or another type of main benefit	5,014	4,577	4,052	3,842	4,470
Transferred within the group of carer's benefits	2,654	2,418	2,649	2,903	3,071
<b>Total transfers</b>	<b>7,668</b>	<b>6,995</b>	<b>6,701</b>	<b>6,745</b>	<b>7,541</b>

## 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 transfers from carer's benefits recorded in SWIFTT during years ended June. The date of these transfers reflects the date at which the new benefit was granted, not the date at which the former benefit was cancelled.

## Trends in expenditure on carer's benefits

### *Expenditure on carer's benefits increased in 2008/09*

The increase between 2007/2008 and 2008/2009 (see table CB.8) reflected:

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

This increase followed decreases over the previous three years.

Decreases between 2004/2005 and 2007/2008 in expenditure on carer's benefits reflected a combination of:

- reductions over most of this period in numbers of clients receiving these benefits
- reductions from 1 April 2005 in levels of carer's benefits paid.

Annual expenditure on carer's benefits fluctuated between 1997/1998 and 2003/2004 (see table CB.8). This reflected a combination of:

- changes in the numbers of clients receiving one of these benefits
- increases in the levels of assistance paid.

Expenditure on supplementary benefits paid to clients receiving carer's benefits increased between 2000/2001 and 2004/2005. This outweighed the effects of fluctuating numbers of clients receiving carer's benefits.

### *Why were carer's benefit levels reduced in 2005?*

This occurred because the child component of carer's benefits was moved to the Working for Families Tax Credit.

table  
CB.8

### Annual expenditure on carer's benefits<sup>1</sup>

Year ended June	Expenditure on carer's benefits <sup>2,3,4</sup> (\$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
2008/2009	1,827

#### 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 between 1995/1996 and 2008/2009 showed some seasonal variation**

Monthly expenditure on carer's benefits showed a small seasonal peak in the latter part of each fiscal year (see figure CB.2). These peaks reflected payments at the start of the school/academic year of:

- Training Incentive Allowance
- benefit advances.

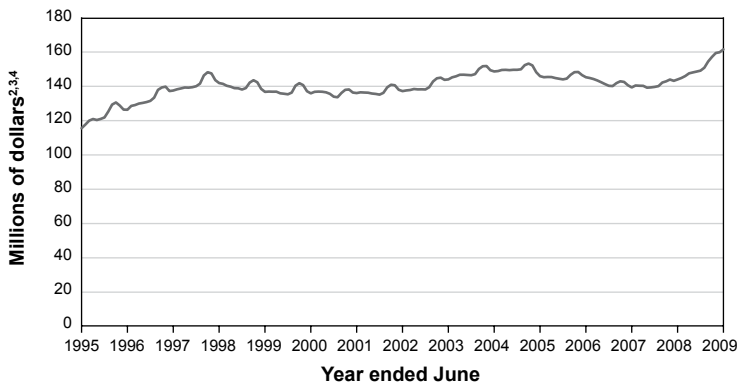
These payments were made to clients who:

- have children attending school, or
- are themselves undertaking approved training.

The usual seasonal pattern was disguised in the second half of 2008/2009 by increases in numbers receiving carer's benefits.

figure  
CB.2

**Monthly expenditure on carer's benefits<sup>1</sup>**



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. Includes expenditure 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.

**For more information on expenditure on carer's benefits see table BU.2**

This table shows trends since 1973 in expenditure on carer's benefits. The information shown here includes expenditure on supplementary benefits paid to people receiving a carer's benefit.<sup>CB1</sup>

CB1 From 1996, the data shown in table BU.2 reflects deductions for debts established and clients receiving these benefits as well as an overseas pension. The data in table CB.8 and figure CB.2 does not reflect these deductions.

---

## Sickness-related benefits

### *Which benefits are these?*

The main benefits in this group consist of:

- Sickness Benefits
- Sickness Benefits – Hardship.

### *Some of these benefits have been renamed*

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 a Community Wage – Emergency – Sickness.

Prior to 1 October 1998, a Sickness Benefit – Hardship was known as an Emergency Sickness Benefit.

---

## Eligibility for sickness-related benefits

### *Who is Sickness Benefit available to?*

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.

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

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

### *Income and residency tests, and pre-benefit requirements*

Income and residency tests apply. There are no pre-benefit requirements for a Sickness Benefit.

### *Work tests*

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.

### *The spouses and partners of recipients are also work tested*

The type of work test for partners and spouses depends on the age of the couple's youngest dependent child.

From September 2007, these spouses and partners were subject to:

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

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

### **Sickness Benefit – Hardship**

These benefits are available to people who:

- don't meet the residency criteria for a Sickness Benefit, but
- are suffering hardship because of illness or injury.

Sixteen or 17 year olds may also be eligible for a Sickness Benefit – Hardship if they are:

- unable to support themselves because of pregnancy, or
- attending an approved rehabilitation programme.

Prior to 1 October 1998, applicants for sickness-related benefits who did not meet all eligibility requirements may have been granted an Emergency Benefit because of hardship. Income and asset tests applied to this benefit.

### ***Income and residence tests, and pre-benefit requirements***

Income and asset tests apply. No pre-benefit requirements apply to Sickness Benefits – Hardship.

### ***Work tests***

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.

### ***The spouses and partners of recipients are also work tested***

The type of work test for partners and spouses depends on the age of the couple's youngest dependent child.

From September 2007, these spouses and partners were subject to:

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

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

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

### ***Numbers receiving sickness-related benefits increased between 2008 and 2009***

This increase (see table SR.1) reflects:

- the resumption of historical increases in numbers receiving sickness-related benefits
- the impact of economic recession on job opportunities for people living and working with health or disability issues.

Numbers receiving these benefits decreased in 2008 as a result of the operational changes introduced from September 2007.

### ***Most working-age clients receiving sickness-related benefits were aged 25–54 years***

Of the working-age clients receiving these benefits between 2007 and 2009 (see table SR.1):

- around 35% were aged 40–54 years
- around 29% were aged 25–39 years.

table  
SR.1**Ages of clients receiving a sickness-related benefit**

Age of client at the end of June	2005 Number	2006 Number	2007 Number	2008 Number	2009 Number
	Working-age clients receiving a sickness-related benefit <sup>1,2</sup>				
18–19 years	1,570	1,852	1,838	2,054	2,425
20–24 years	4,135	4,678	4,925	5,224	6,570
25–29 years	3,860	4,128	4,347	4,249	5,064
30–34 years	4,451	4,518	4,380	4,172	4,851
35–39 years	4,883	5,023	5,108	4,972	5,630
40–44 years	5,327	5,467	5,400	5,192	5,892
45–49 years	5,362	5,673	5,854	5,695	6,669
50–54 years	5,583	5,592	5,744	5,212	6,243
55–59 years	6,099	5,897	5,662	4,979	5,707
60–64 years	3,906	4,244	4,805	4,522	5,301
<b>Total working-age clients</b>	<b>45,176</b>	<b>47,072</b>	<b>48,063</b>	<b>46,271</b>	<b>54,352</b>
	Other clients receiving a sickness-related benefit <sup>1,2</sup>				
<b>Total other clients</b>	<b>470</b>	<b>487</b>	<b>524</b>	<b>439</b>	<b>540</b>
	All clients receiving a sickness-related benefit <sup>1,2</sup>				
<b>Total</b>	<b>45,646</b>	<b>47,559</b>	<b>48,587</b>	<b>46,710</b>	<b>54,892</b>

## Notes

- Sickness-related benefits comprise Sickness Benefits and Sickness Benefits – Hardship.
- Numbers of clients recorded in SWIFFT as receiving a sickness-related benefit at the end of June.

**Between 2005 and 2009, comparatively few clients received Sickness Benefits – Hardship**

Virtually all working-age recipients of sickness-related benefits between 2007 and 2009 were receiving a Sickness Benefit (see table SR.2).

table  
SR.2**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 <sup>1</sup>				
	2005 Number	2006 Number	2007 Number	2008 Number	2009 Number
Sickness Benefit	44,416	46,294	47,356	45,586	53,830
Sickness Benefit – Hardship	760	778	707	685	522
<b>Total</b>	<b>45,176</b>	<b>47,072</b>	<b>48,063</b>	<b>46,271</b>	<b>54,352</b>

## Note

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

**Administrative and operational changes affecting client numbers**

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.

From September 2007, new administrative processes for sickness-related benefits:

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

These decisions by case managers were to be based on:

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

***Recipients of sickness-related benefits became more likely to have psychological or psychiatric conditions***

Forty-one percent of working-age recipients of sickness-related benefits in 2009 had a psychological or psychiatric condition (see table SR.3). This compared with 36% in 2007.

There was a corresponding decrease in the proportion of these clients with systemic disorders (see table SR.3).

table  
SR.3

**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 <sup>1,2</sup>				
	2005 Number	2006 Number	2007 Number	2008 Number	2009 Number
Accident, trauma, entry of foreign bodies	5,348	4,862	4,790	3,313	4,333
Disease <sup>3</sup>	316	339	349	649	784
Cancer	857	808	819	647	684
Congenital conditions	134	169	148	186	225
Intellectual disability	204	167	158	113	117
Pregnancy related	1,304	1,481	1,477	1,428	1,327
Psychological or psychiatric conditions	15,784	16,630	17,274	18,036	22,004
Sensory disorders	476	488	529	542	657
Substance abuse	2,473	3,221	3,479	3,842	4,494
Systemic disorders <sup>4</sup>	18,249	18,870	19,012	17,242	19,232
Unspecified/ill-defined conditions <sup>5</sup>	31	37	28	273	495
<b>Total</b>	<b>45,176</b>	<b>47,072</b>	<b>48,063</b>	<b>46,271</b>	<b>54,352</b>

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 incapacities not coded and ill-defined conditions.

***Recipients of sickness-related benefits became slightly more likely to have received their benefit for a short period***

Seventy percent of working-age recipients of sickness-related benefits in 2009 had received their current benefit for less than two years (see table SR.4). This compared with 66% in 2007.

table  
SR.4**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 <sup>1,2</sup>				
	2005 Number	2006 Number	2007 Number	2008 Number	2009 Number
Under 6 months	13,986	14,554	14,928	14,678	18,212
6 months–2 years	17,272	16,971	16,833	16,605	20,202
2–4 years	7,637	8,904	9,372	8,023	8,349
Over 4 years	6,281	6,643	6,930	6,965	7,589
<b>Total</b>	<b>45,176</b>	<b>47,072</b>	<b>48,063</b>	<b>46,271</b>	<b>54,352</b>

## 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.

For more information on use of sickness-related benefits, see table BU.1

**Trends in the proportion of working-age people receiving a sickness-related benefit*****Between 2005 and 2009 comparatively few New Zealanders received sickness-related benefits***

The proportion of working-age New Zealanders receiving a sickness-related benefit increased slightly between 2008 and 2009 (see figure SR.1).

This increase reflected:

- the impact of economic recession on employment opportunities for people with health issues
- increased use of sickness-related benefits by people who developed health-related conditions while receiving other main benefits.

***Between 2005 and 2009, older people were most likely to be receiving a sickness-related benefit***

Over this period, 50–64 year olds were more likely than other working-age people to be receiving a sickness-related benefit (see figure SR.1).

The likelihood of 50–64 year olds receiving a sickness-related benefit fluctuated between 2005 and 2008 before increasing in 2009 (see figure SR.1). These fluctuations reflect, in part, the impact of ageing on:

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

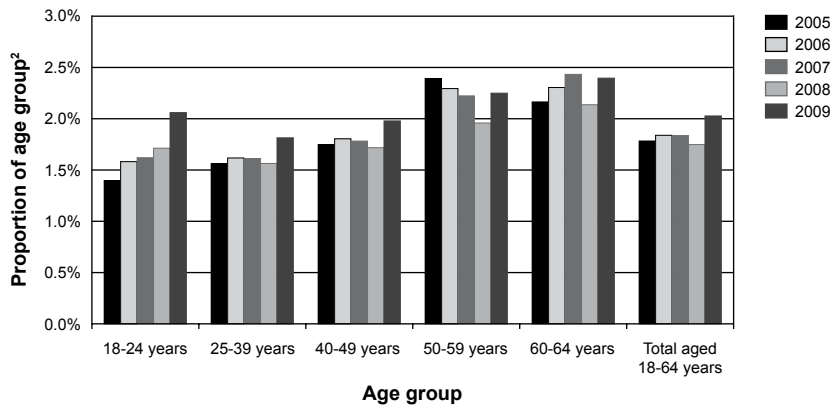
Permanent and severe conditions are covered by an Invalid's Benefit rather than a sickness-related benefit.

Clients aged 18–24 years showed the steepest increase between 2008 and 2009 in the likelihood of receiving a sickness-related benefit (see figure SR.1).



figure  
SR.1

Proportions of working-age people receiving a sickness-related benefit,<sup>1</sup> 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 PP.4 for a summary of the data underlying figure SR.1.

**Trends in sickness-related benefits granted**

***Numbers of sickness-related benefits granted increased between 2004/2005 and 2008/2009***

This increase accelerated in 2008/2009 (see table SR.5). This reflected in part the impact of the recession on job opportunities for people with health or disability issues.

***Between 2004/2005 and 2008/2009, clients granted a sickness-related benefit became less likely to have received a benefit recently***

Thirty-four percent of working-age clients granted a sickness-related benefit in 2008/2009 had not received a main benefit in the previous four years (see table SR.5). This compared with 27% in 2004/2005.

Over the same period, there was a decrease in the proportion of clients granted these benefits who were transferring within the benefit system (from 26% to 21%) (see table SR.5).

table  
SR.5**Length of periods since clients granted a sickness-related benefit last received any main benefit**

Period since client last received any main benefit	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number
<b>Sickness-related benefits granted to working-age clients<sup>1,2</sup></b>					
None (clients transferring within the benefit system) <sup>3</sup>	14,420	12,513	12,629	10,791	11,793
Under 6 months	8,268	8,698	8,938	9,687	9,503
6–12 months	4,820	4,763	4,763	5,196	5,361
12–18 months	2,583	2,764	2,523	2,810	3,041
18 months–2 years	1,721	1,876	1,823	1,935	2,245
2–4 years	3,783	4,319	4,406	4,440	5,109
Had not received a main benefit in previous four years	11,664	12,584	13,584	14,659	18,796
<b>Total granted to working-age clients</b>	<b>47,259</b>	<b>47,517</b>	<b>48,666</b>	<b>49,518</b>	<b>55,848</b>
<b>Sickness-related benefits granted to other clients<sup>1,2</sup></b>					
<b>Total granted to other clients</b>	<b>747</b>	<b>749</b>	<b>823</b>	<b>808</b>	<b>938</b>
<b>Sickness-related benefits granted to all clients<sup>1,2</sup></b>					
<b>Total</b>	<b>48,006</b>	<b>48,266</b>	<b>49,489</b>	<b>50,326</b>	<b>56,786</b>

## 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 transfers from a different type of benefit or from the same type of benefit. Transfers from the same type of benefit occur when benefits are cancelled and restarted for administrative reasons (eg a review of entitlement).

***Between 2004/2005 and 2008/2009, clients granted sickness-related benefits became slightly more likely to have psychological or psychiatric disorders***

Thirty-seven percent of working-age clients granted sickness-related benefits in 2008/2009 had a psychological or psychiatric disorder (see table SR.6). This compared with 33% in 2004/2005.

The proportion of these clients with systemic disorders decreased from 34% to 29% between 2006/2007 and 2008/2009 (see table SR.6).

table  
SR.6**Incapacities of working-age clients granted a sickness-related benefit**

Client incapacity when benefit granted	Sickness-related benefits granted to working-age clients <sup>1,2</sup>				
	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number
Accident, trauma, entry of foreign bodies	6,304	5,812	5,563	5,407	6,601
Diseases <sup>3</sup>	646	606	607	710	999
Cancer	1,140	1,064	1,080	937	986
Congenital conditions	202	202	213	211	266
Intellectual disability	116	137	136	64	143
Pregnancy related	4,558	4,598	4,525	4,484	4,496
Psychological or psychiatric conditions	15,416	16,011	16,834	18,227	20,892
Sensory disorders	505	454	444	460	604
Substance abuse	2,271	2,540	2,666	3,178	3,742
Systemic disorders <sup>4</sup>	15,679	15,742	16,308	15,418	16,295
Unspecified/ill-defined conditions <sup>5</sup>	422	351	290	422	824
<b>Total</b>	<b>47,259</b>	<b>47,517</b>	<b>48,666</b>	<b>49,518</b>	<b>55,848</b>

## 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 diseases and parasitic diseases.
- 4 Encompasses disorders of physiological systems (eg musculoskeletal systems, metabolic systems).
- 5 Includes incapacities not coded and ill-defined conditions.

**Trends in cancellations of sickness-related benefits*****Numbers of sickness-related benefits cancelled have fluctuated***

This pattern (see table SR.7) reflected the impact of operational changes in September 2007. These operational changes resulted in increased numbers of clients returning to work or transferring to other main benefits (particularly Invalid's Benefits).

These fluctuations followed smaller changes over the previous two years.

table  
SR.7**Ages of clients cancelling sickness-related benefits**

Age group of client at date of cancellation	Cancellations of sickness-related benefits <sup>1,2</sup>				
	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number
Working-age clients	45,219	44,742	47,254	51,207	47,620
Other clients	868	875	983	1,139	1,114
<b>Total</b>	<b>46,087</b>	<b>45,617</b>	<b>48,237</b>	<b>52,346</b>	<b>48,734</b>

## Notes

- 1 Sickness-related benefits comprise Sickness Benefits and Sickness Benefits – Hardship.
- 2 Numbers of cancellations of carer's benefits recorded in SWIFTT during years ended June.

***Between 2007/2008 and 2008/2009, clients cancelling sickness-related benefits became slightly more likely to enter paid work***

Sixteen percent of clients cancelling sickness-related benefits in 2008/2009 entered paid work (see table SR.8). This compared with 18% in 2006/2007 and 2007/2008.

The main “other” reasons for cancellations of sickness benefits were:

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

table  
SR.8

#### Recorded reasons for working-age clients cancelling sickness-related benefits

Reason for cancellation	Sickness-related benefits cancelled <sup>1,2</sup>				
	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number
Obtained paid work <sup>3</sup>	7,450	7,267	8,619	9,437	7,666
Other <sup>3,4</sup>	37,769	37,475	38,635	41,770	39,954
<b>Total cancelled by working-age clients</b>	<b>45,219</b>	<b>44,742</b>	<b>47,254</b>	<b>51,207</b>	<b>47,620</b>

#### Notes

- 1 Sickness-related benefits comprise Sickness Benefits and Sickness Benefits – Hardship.
- 2 Number 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 These cancellations occurred for administrative reasons (eg to test ongoing eligibility or change payment rates), because clients transferred to another benefit, or because clients moved out of the benefit system without taking up paid work. People may leave the benefit system without taking up work for a range of reasons including entering full-time study, entering a new relationship, or leaving the country.

### Trends in number of transfers to other benefit types

#### *Numbers of transfers from sickness-related benefits have fluctuated*

This fluctuation (see table SR.9) reflected the impact of the September 2007 changes to administration of sickness-related benefits. These changes resulted in increased numbers of transfers from sickness-related benefits to Invalid's Benefits over 2007/2008 and 2008/2009.

This pattern followed slow decreases over the previous two years.

#### *Between 2004/2005 and 2008/2009, almost all transfers from sickness-related benefits were to other main benefits*

Over this period, around 94% of the transfers from sickness-related benefits have been to New Zealand Superannuation, pensions or other main benefits. These transfers were mainly to unemployment-associated benefits, carer's benefits and Invalid's Benefits.

table  
SR.9

#### Transfers from sickness-related benefits by working-age clients<sup>1,2</sup>

Type of transfer	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number
Transferred to New Zealand Superannuation, pensions or another type of main benefit	17,776	17,133	16,360	18,690	17,832
Transferred within the group of sickness-related benefits	1,185	842	970	958	1,126
<b>Total transfers</b>	<b>18,961</b>	<b>17,975</b>	<b>17,330</b>	<b>19,648</b>	<b>18,958</b>

#### Notes

- 1 Sickness-related benefits comprise Sickness Benefits and Sickness Benefits – Hardship.
- 2 Number of transfers from sickness-related benefits recorded in SWIFTT during years ended June. The date of these transfers reflects the date at which the new benefit was granted, not the date at which the former benefit was cancelled.

## Trends in expenditure on sickness-related benefits

### *Expenditure on sickness-related benefits increased between 2000/2001 and 2008/2009*

These increases (see table SR.10) reflected a combination of:

- increases in the numbers of people receiving these benefits
- cost of living adjustments
- increased expenditure on Accommodation Supplements and on hardship assistance paid to people receiving sickness-related benefits.

Expenditure on these benefits decreased between 1998/1999 and 2000/2001 (see table SR.10). This reflected a combination of:

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

table  
SR.10

### Annual expenditure on sickness-related benefits<sup>1</sup>

Year ended June	Expenditure on sickness-related benefits <sup>2,3,4</sup> (\$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
2008/2009	742

#### 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. Includes 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.

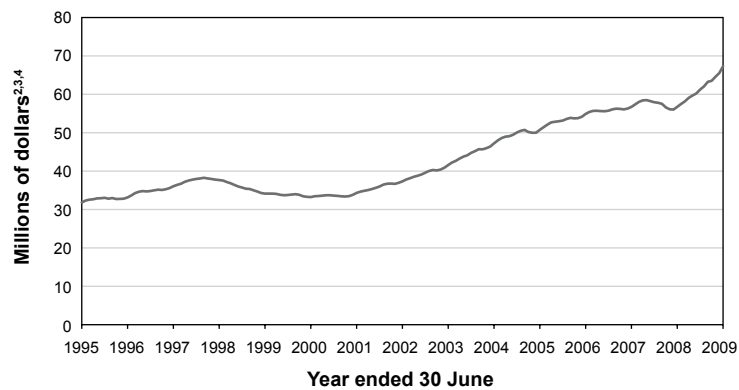
***Expenditure on sickness-related benefits showed little seasonal variation between 1995/1996 and 2008/2009***

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

- entering paid work, or
- transferring from sickness-related benefits to other main benefits (particularly Invalid's Benefits).

figure  
SR.2

**Monthly expenditure on sickness-related benefits<sup>1</sup>**



**Notes**

- 1 Sickness-related benefits comprise Sickness Benefits and Sickness Benefits – Hardship.
- 2 Monthly expenditure on sickness-related benefits. Includes 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.

For more information about expenditure on sickness-related benefits, see table BU.2.

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## Invalid's benefit

### *Who is it available to?*

An Invalid's Benefit is available to people who are either:

- permanently and severely restricted in their capacity for work because of sickness, injury or disability, or
- totally blind.

A "permanent and severe" restriction is defined in the Social Security Act 1964 as one that:

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

Invalid's Benefits are available to clients who are 16 years or over.

### *Income and residency tests, and pre-benefit requirements*

Income and residency tests apply. There are no pre-benefit qualifications for an Invalid's Benefit.

### *Work tests*

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.

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

### *The spouses and partners of recipients are also work tested*

The type of work test for partners and spouses depends on the age of the couple's youngest dependent child.

From September 2007, these spouses and partners were subject to:

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

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

***Eligibility changes from July 2004***

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

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

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

***Administrative changes from July 2007***

Residency requirements for an Invalid's Benefit were reduced from July 2007. Further administrative changes from September 2007 aimed to ensure that clients received the assistance most appropriate to their needs. These changes consisted of:

- requiring more medical information on medical certificates
- allowing case managers to make the decision about whether clients should receive a sickness-related benefit, Invalid's Benefit or other assistance.

These decisions by case managers are to be based on:

- medical information provided
- discussion with the client
- other relevant assessments.

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**Trends in the number of clients receiving an Invalid's Benefit*****Numbers receiving Invalid's Benefits increased between 2005 and 2009***

Growth was faster between 2007 and 2008 than between 2008 and 2009 (see table IB.1).

This reflects a combination of:

- the continuation of long-term historic growth in Invalid's Benefit numbers
- the short-term impact of administrative changes from September 2007 which resulted in some people moving from sickness-related benefits to Invalid's Benefits in 2007-2008.

Long-term growth in Invalid's Benefit numbers reflects:

- the long-term nature of the conditions which lead to people receiving Invalid's Benefits
- the high proportion of the population who are in older age groups.



**Between 2005 and 2009, nearly three-quarters of Invalid's Benefit recipients were aged 40–64 years**

Of the working-age Invalid's Benefit recipients between 2005 and 2009 (see table IB.1):

- around 38% were aged between 40–54 years
- another 34% were aged between 55–64 years.

table  
IB.1

**Ages of clients receiving an Invalid's Benefit**

Age of client at the end of June	2005 Number	2006 Number	2007 Number	2008 Number	2009 Number
	<b>Working-age clients receiving an Invalid's Benefit<sup>1</sup></b>				
18–19 years	1,480	1,566	1,643	1,756	1,856
20–24 years	3,793	3,890	3,949	4,192	4,428
25–29 years	4,076	4,047	4,119	4,319	4,398
30–34 years	5,585	5,376	5,206	5,210	5,036
35–39 years	6,939	7,123	7,160	7,414	7,295
40–44 years	8,687	8,829	8,726	9,024	8,955
45–49 years	9,070	9,522	9,985	10,855	11,055
50–54 years	9,794	10,160	10,599	11,427	11,731
55–59 years	11,366	11,948	12,253	12,979	13,373
60–64 years	12,396	12,888	13,661	15,703	16,417
<b>Total working-age clients</b>	<b>73,186</b>	<b>75,349</b>	<b>77,301</b>	<b>82,879</b>	<b>84,544</b>
	<b>Other clients receiving an Invalid's Benefit<sup>1</sup></b>				
<b>Total other clients</b>	<b>1,610</b>	<b>1,697</b>	<b>1,776</b>	<b>2,318</b>	<b>2,614</b>
	<b>All clients receiving an Invalid's Benefit<sup>1</sup></b>				
<b>Total</b>	<b>74,796</b>	<b>77,046</b>	<b>79,077</b>	<b>85,197</b>	<b>87,158</b>

Note

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

**Between 2005 and 2009, a majority of Invalid's Benefit recipients had physiological or sensory conditions**

Of the Invalid's Benefit recipients between 2005 and 2009 (see table IB.2):

- around 39% had systemic disorders
- around 27% had a psychological or psychiatric condition
- around 14% had an intellectual disability.

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

Client incapacity at the end of June	Working-age clients receiving an Invalid's Benefit <sup>1</sup>				
	2005 Number	2006 Number	2007 Number	2008 Number	2009 Number
Accident, trauma, entry of foreign bodies	5,048	5,177	5,262	4,932	4,331
Disease <sup>2</sup>	442	486	520	635	725
Cancer	2,088	2,218	2,212	2,340	2,264
Congenital conditions	2,710	2,882	2,999	3,297	3,640
Intellectual disability	10,914	10,982	11,005	11,028	11,110
Psychological or psychiatric conditions	19,773	20,480	21,354	23,294	24,328
Sensory disorders	2,042	2,043	2,090	2,267	2,345
Substance abuse	1,095	1,162	1,278	1,577	1,707
Systemic disorders <sup>3</sup>	28,750	29,479	29,990	32,704	33,008
Unspecified/ill-defined conditions <sup>4</sup>	324	440	591	805	1086
<b>Total</b>	<b>73,186</b>	<b>75,349</b>	<b>77,301</b>	<b>82,879</b>	<b>84,544</b>

## 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 incapacities not coded and ill-defined conditions.

Table BU.1 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

#### ***Between 2005 and 2009, relatively small numbers of New Zealanders received an Invalid's Benefit***

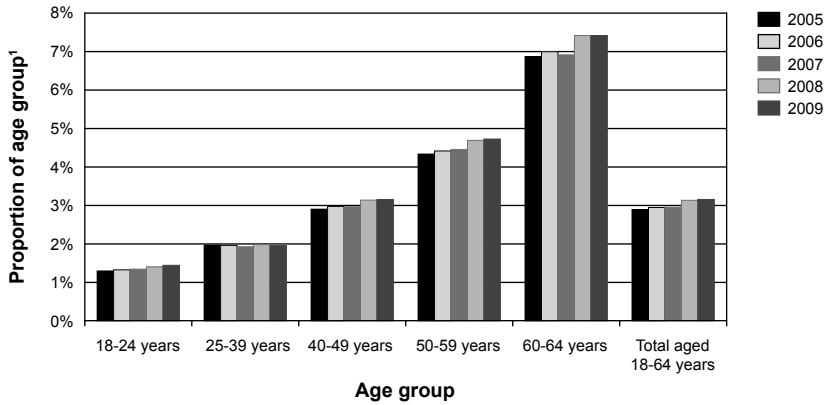
Over this period, around 3% of New Zealanders were receiving an Invalid's Benefit (see figure IB.1). This proportion remained stable despite population growth. This reflected the long-term nature of the conditions resulting in clients being granted these benefits.

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

Between 2005 and 2009, the likelihood of working-age people receiving these benefits increased with age (see figure IB.1). This reflected both the relationship between ageing and the incidence of permanent and severe health or disability conditions and the increasing proportion of the population who are in the older age groups.

figure  
IB.1

**Proportions of working-age people receiving an Invalid's Benefit, by age**



Note

- 1 Proportion shows:
  - a numbers 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 PP.5 for a summary of the data underlying figure IB.1.

### Trends in Invalid's Benefits granted

#### ***Numbers of Invalid's Benefits granted have fluctuated***

This pattern (see table IB.3) largely reflects the impact of operational changes introduced in September 2007. One impact of these changes was an increase in transfers from sickness-related benefits to Invalid's Benefits.

#### ***Between 2007/2008 and 2008/2009, clients granted Invalid's Benefits became less likely to have transferred within the benefit system***

This pattern (see table IB.3) largely reflects the impact of operational changes introduced in September 2007. One impact of these changes was an increase in transfers from sickness-related benefits to Invalid's Benefits.

The proportion of these clients who had not received a main benefit in the previous four years increased over the same period (from 17% to 22%).



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

Period since client last received any main benefit	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number
	<b>Invalid's Benefits granted to working-age clients<sup>1</sup></b>				
None (clients transferring within the benefit system) <sup>2</sup>	7,665	7,626	7,653	10,491	6,930
Under 6 months	762	758	813	966	778
6–12 months	278	316	279	401	325
12–18 months	133	125	142	216	160
18 months–2 years	98	74	92	130	131
2–4 years	233	220	225	322	288
Had not received a main benefit in previous four years	1,729	1,722	1,870	2,481	2,412
<b>Total granted to working-age clients</b>	<b>10,898</b>	<b>10,841</b>	<b>11,074</b>	<b>15,007</b>	<b>11,024</b>
	<b>Invalid's Benefits granted to other clients<sup>1</sup></b>				
<b>Total granted to other clients</b>	<b>806</b>	<b>846</b>	<b>884</b>	<b>1,344</b>	<b>1,094</b>
	<b>Total Invalid's Benefits granted<sup>1</sup></b>				
<b>Total</b>	<b>11,704</b>	<b>11,687</b>	<b>11,958</b>	<b>16,351</b>	<b>12,118</b>

## Notes

- 1 Numbers of successful Invalid's Benefit applications recorded in SWIFTT during years ended June.
- 2 Includes transfers from a different type of benefit or from the same type of benefit. Transfers from the same type of benefit occur when benefits are cancelled and restarted for administrative reasons (eg a review of entitlement).

**Nearly half of clients granted Invalid's Benefits between 2006/2007 and 2008/2009 had systemic disorders**

Of the clients granted Invalid's Benefits between 2006/2007 and 2008/2009 (see table IB.4):

- between 45% and 49% had systemic disorders
- around 26% had psychological or psychiatric disorders.

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

Client incapacity when benefit granted	Invalid's Benefits granted to working-age clients <sup>1</sup>				
	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number
Accident, trauma, entry of foreign bodies	796	802	814	706	455
Disease <sup>2</sup>	95	105	97	159	128
Cancer	1133	1,105	1,040	1,239	1,035
Congenital conditions	210	234	226	284	242
Intellectual disability	364	337	363	163	251
Psychological or psychiatric conditions	2,613	2,537	2,772	4,076	2,938
Sensory disorders	191	196	222	306	260
Substance abuse	202	216	239	427	264
Systemic disorders <sup>3</sup>	4,982	5,063	5,001	7,300	5,051
Unspecified/ill-defined conditions <sup>4</sup>	312	246	300	347	400
<b>Total</b>	<b>10,898</b>	<b>10,841</b>	<b>11,074</b>	<b>15,007</b>	<b>11,024</b>

## 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 incapacities not coded and ill-defined conditions.

**Trends in cancellations of Invalid's Benefits*****Numbers cancelling Invalid's Benefits increased between 2004/2005 and 2008/2009***

This increase (see table IB.5) reflected the slow growth over the same period in the number of people receiving Invalid's Benefits.

table  
IB.5**Ages of clients cancelling Invalid's Benefits**

Age group of client at date of cancellation	Cancellations of Invalid's Benefits <sup>1,2</sup>				
	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number
Working-age clients	7,961	8,082	8,454	8,530	8,730
Other clients	1,119	1,156	1,266	1,225	1,467
<b>Total</b>	<b>9,080</b>	<b>9,238</b>	<b>9,720</b>	<b>9,755</b>	<b>10,197</b>

## Note

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

***Between 2007/2008 and 2008/2009, clients cancelling Invalid's Benefits became slightly less likely to be entering paid work***

Fourteen percent of working-age clients cancelling Invalid's Benefits in 2008/2009 entered paid work (see table IB.6). This compares with 19% in 2007/2008.

The chief "other" reason for cancellations of these benefits was the death of the client.

table  
IB.6**Recorded reasons for working-age clients cancelling Invalid's Benefits**

Reason for cancellation	Invalid's Benefits cancelled <sup>1,2</sup>				
	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number
Obtained paid work <sup>2</sup>	1,328	1,315	1,576	1,650	1,258
Other <sup>2,3</sup>	6,633	6,767	6,878	6,880	7,472
<b>Total cancelled by working-age clients</b>	<b>7,961</b>	<b>8,082</b>	<b>8,454</b>	<b>8,530</b>	<b>8,730</b>

## Notes

- 1 Numbers of cancellations of Invalid's 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 These cancellations occurred for administrative reasons (eg to test ongoing eligibility or change payment rates), because clients transferred to another benefit, or because clients moved out of the benefit system without taking up paid work. People may leave the benefit system without taking up work for a range of reasons including entering full-time study, entering a new relationship, or leaving the country.

**Trends in number of transfers to other benefit types*****Numbers of transfers from Invalid's Benefits increased in 2008/09***

This This increase (see table IB.7) was driven primarily by an increase in numbers transferring from Invalid's Benefits to sickness-related benefits.

***Transfers from Invalid's Benefits became more likely to be to New Zealand Superannuation, pensions or other main benefits***

In 2008/2009, 67% of transfers from Invalid's Benefits were to New Zealand Superannuation, pensions or other main benefits (see table IB.7). This compares with 53% in 2007/2008.

This change was primarily driven by an increase in numbers transferring from Invalid's Benefits to sickness-related benefits.

table  
IB.7**Transfers from Invalid's Benefits by working-age clients<sup>1</sup>**

Type of transfer	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number
Transferred to New Zealand Superannuation, pensions or another type of main benefit	692	761	666	708	1,124
Transferred to another Invalid's Benefit	681	583	590	627	542
<b>Total transfers</b>	<b>1,373</b>	<b>1,344</b>	<b>1,256</b>	<b>1,335</b>	<b>1,666</b>

## Note

- 1 Number of transfers from Invalid's Benefits recorded in SWIFTT during years ended June. The date of these transfers reflects the date at which the new benefit was granted, not the date at which the former benefit was cancelled.

## Trends in expenditure on Invalid's Benefits

### *Annual expenditure on Invalid's Benefits increased between 1995/1996 and 2008/2009*

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

- increases in the number of people receiving these benefits
- growth in supplementary benefits paid to recipients of Invalid's Benefits.

table  
IB.8

### Annual expenditure on Invalid's Benefits

Year ended June	Expenditure on Invalid's Benefits <sup>1,2,3</sup> (\$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
2008/2009	1,369

#### Notes

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

***There was little seasonal variation over this period in monthly expenditure on Invalid's Benefits***

Temporary reductions in this expenditure in 1995, 2001 and 2005 (see figure IB.2) reflected:

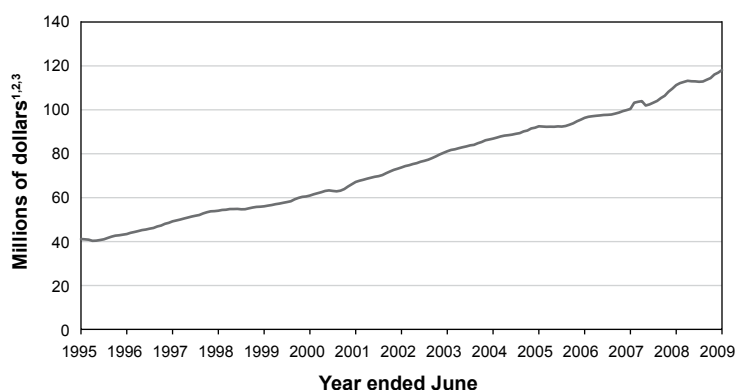
- the transfer of maximised Special Benefit payments to Vote: Health in July 1995
- reduced expenditure on Accommodation Supplements for Invalid's Benefit recipients following the reintroduction of income-related rents in November 2000
- adjustment of maxima for Accommodation Supplements in 2005.

Continued growth in Invalid's Benefit numbers meant that expenditure on Invalid's Benefits (excluding supplementary benefits) continued to rise. This offset the decreases in expenditure on supplementary benefits paid to Invalid's Benefit recipients.

Figure IB.2 also shows a short spike in expenditure at the beginning of 2007/2008. This is an administrative result of transferring Invalid's Benefits from fortnightly to weekly payments. It does not represent additional money paid to clients.

figure  
IB.2

**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 BU.2 shows trends since 1940 in expenditure on Invalid's Benefits. This information includes expenditure on supplementary benefits paid to people receiving an Invalid's Benefit.<sup>IB1</sup>

IB1 From 1996, the expenditure data shown in table BU.2 reflects deductions for debts established and clients receiving these benefits as well as overseas pensions. The data in table IB.8 and figure IB.2 does not reflect these deductions.



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## Widow's Benefit

### *Who is it available to?*

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

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

### *Income and residency tests, and pre-benefit requirements*

Income and residency tests apply. There are no pre-benefit requirements for recipients of a Widow's Benefit.

### *Work test*

Over recent years, clients receiving Widow's Benefits were obliged to meet the requirements of the Personal Development and Employment (PDE) planning process if required to by their case manager. The PDE planning process was introduced in March 2003.

This process involves developing and implementing a plan that aimed at assisting clients in moving toward employment. The ultimate aim of this plan was to move the client toward economic and social participation in society.

---

## Trends in numbers receiving a Widow's Benefit

### *Numbers receiving Widow's Benefits increased between 2008 and 2009*

This increase (see table WB.1):

- reflected increasing grants of Widow's Benefits at a time when cancellations of these benefits were decreasing
- followed three years of decreases.

### *Between 2008 and 2009, Widow's Benefit recipients became slightly less likely to have received their benefit for over four years*

Forty-two percent of working-age Widow's Benefit recipients in 2009 had received their benefit for over four years (see table WB.1). This compared with 44% in 2008, and 47% in 2005.

table  
WB.1

**Length of current spells receiving a Widow's Benefit**

Length of current spell to the end of June	2005 Number	2006 Number	2007 Number	2008 Number	2009 Number
	<b>Working-age clients receiving a Widow's Benefit<sup>1</sup></b>				
Under 6 months	765	704	610	684	783
6 months–2 years	1,763	1,677	1,497	1,346	1,494
2–4 years	1,538	1,440	1,338	1,214	1,111
Over 4 years	3,571	3,180	2,842	2,559	2,432
<b>Total working-age clients</b>	<b>7,637</b>	<b>7,001</b>	<b>6,287</b>	<b>5,803</b>	<b>5,820</b>
<b>Other clients receiving a Widow's Benefit<sup>1</sup></b>					
<b>Total other clients</b>	<b>158</b>	<b>180</b>	<b>184</b>	<b>180</b>	<b>214</b>
<b>All clients receiving a Widow's Benefit<sup>1</sup></b>					
<b>Total</b>	<b>7,795</b>	<b>7,181</b>	<b>6,471</b>	<b>5,983</b>	<b>6,034</b>

Note

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

Table BU.1 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**

**Between 2005 and 2009, very small numbers of New Zealanders received a Widow's Benefit**

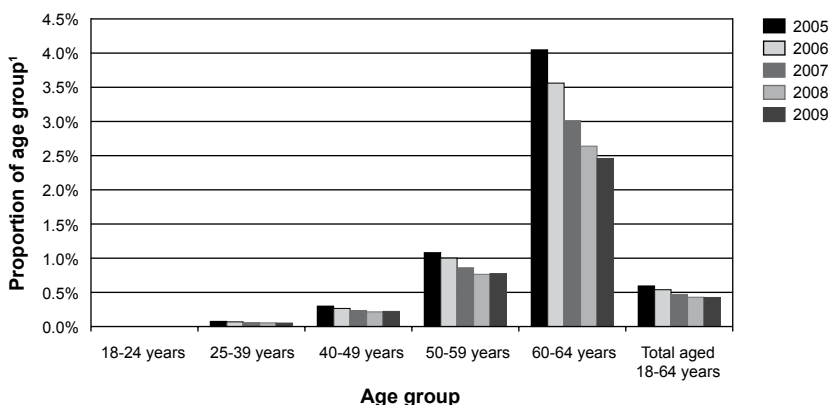
Over this period, around 0.5% of New Zealand women were receiving a Widow's Benefit.

**Over this period, older women were more likely than younger women to be receiving Widow's Benefits**

Between 2005 and 2009, women aged 50–64 years were significantly more likely than younger women to receive Widow's Benefits (see figure WB.1). This largely reflected the eligibility criteria for Widow's Benefits.

figure  
WB.1

**Proportions of working-age women receiving a Widow's Benefit, by age**



Note

- 1 Proportion shows:
  - a number of clients in age group recorded in SWIFFT 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 PP.6 for a summary of the data underlying figure WB.1.



## Trends in Widow's Benefits granted

### *Numbers of Widow's Benefits granted increased slightly between 2006/2007 and 2008/2009*

This increase (see table WB.2) followed two years of decreases.

### *Over three in five clients granted Widow's Benefits in 2008/09 had not received a main benefit in the previous four years*

Around 62% of the working-age clients granted Widow's Benefits over this period had not received a main benefit in the previous four years (see table WB.2).

table  
WB.2

### Length of periods since clients granted a Widow's Benefit last received any main benefit

Period since client last received any main benefit	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number
<b>Widow's Benefits granted to working-age clients<sup>1</sup></b>					
None (clients transferring within the benefit system) <sup>2</sup>	186	151	152	176	154
Under 6 months	208	206	182	179	171
6–12 months	127	103	80	104	111
12–18 months	54	44	52	42	65
18 months–2 years	33	39	37	36	40
2–4 years	104	105	101	104	111
Had not received a main benefit in previous four years	1241	1132	989	982	1,124
<b>Total granted to working-age clients</b>	<b>1,953</b>	<b>1,780</b>	<b>1,593</b>	<b>1,623</b>	<b>1,776</b>
<b>Widow's Benefits granted to other clients<sup>1</sup></b>					
<b>Total granted to other clients</b>	<b>40</b>	<b>43</b>	<b>39</b>	<b>53</b>	<b>70</b>
<b>Total Widow's Benefits granted<sup>1</sup></b>					
<b>Total</b>	<b>1,993</b>	<b>1,823</b>	<b>1,632</b>	<b>1,676</b>	<b>1,846</b>

#### Notes

- 1 Numbers of successful applications for Widow's Benefits recorded in SWIFTT during years ended June.
- 2 Includes transfers from a different type of benefit or from the same type of benefit. Transfers from the same type of benefit occur when benefits are cancelled and restarted for administrative reasons (eg a review of entitlement).

## Trends in cancellations of Widow's Benefits

### *Numbers of Widow's Benefit cancellations decreased between 2004/2005 and 2008/2009*

This decrease (see table WB.3) became steeper in 2007/2008 and 2008/2009.

table  
WB.3

### Age of clients cancelling Widow's Benefits

Age group of client at date of cancellation	Cancellations of Widow's Benefits <sup>1</sup>				
	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number
Working-age clients	2,189	2,094	1,996	1,832	1,518
Other clients	410	357	353	304	336
<b>Total</b>	<b>2,599</b>	<b>2,451</b>	<b>2,349</b>	<b>2,136</b>	<b>1,854</b>

Note

1 Numbers of cancellations of Widow's Benefits in SWIFTT during years ended June.

### *Over this period, around one-quarter of clients cancelling Widow's Benefits entered paid work*

Around 26% of working-age clients cancelling Widow's Benefits between 2004/2005 and 2008/2009 entered paid work.

table  
WB.4

### Recorded reasons for working-age clients cancelling Widow's Benefits

Reason for cancellation	Cancellations of Widow's Benefits <sup>1</sup>				
	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number
Obtained paid work <sup>2</sup>	543	526	516	490	412
Other <sup>3</sup>	1,646	1,568	1,480	1,342	1,106
<b>Total cancelled by working-age clients</b>	<b>2,189</b>	<b>2,094</b>	<b>1,996</b>	<b>1,832</b>	<b>1,518</b>

Notes

- 1 Number of cancellations of Widow's 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 Includes transfers from a different type of benefit or from the same type of benefit. Transfers from the same type of benefit occur when benefits are cancelled and restarted for administrative reasons (eg a review of entitlement).

## Trends in numbers transferring to other benefit types

### *The number of transfers from Widow's Benefits decreased between 2007/2008 and 2008/2009*

The number of transfers from Widow's Benefits decreased in the last year. This decrease (see table WB.5) followed fluctuations over the previous three years.

### *Between 2005/2006 and 2008/2009, almost all transfers from Widow's Benefits were to other main benefits*

Most of the Widow's Benefit clients transferring to another benefit (see table WB.5) went to Invalid's Benefits or carer's benefits.

table  
WB.5**Transfers from Widow's Benefits by working-age clients<sup>1</sup>**

Type of transfer	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number
Transferred to New Zealand Superannuation, pensions or another type of main benefit	250	252	210	249	153
Transferred to another Widow's Benefit	48	33	34	35	22
<b>Total transfers</b>	<b>298</b>	<b>285</b>	<b>244</b>	<b>284</b>	<b>175</b>

## Note

- 1 Number of transfers from Widow's Benefits recorded in SWIFTT during years ended June. The date of these transfers reflects the date at which the new benefit was granted, not the date at which the former benefit was cancelled.

**Expenditure on Widow's Benefits*****Annual expenditure on Widow's Benefits decreased between 2003/2004 and 2008/2009***

This decrease (see table WB.6) reflected a combination of changes in:

- the number of clients receiving these benefits
- the level of Widow's Benefits being paid.

table  
WB.6**Annual expenditure on Widow's Benefits**

Year ended June	Expenditure on Widow's Benefits <sup>1,2,3</sup> (\$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
2008/2009	75

## Notes

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

**Monthly expenditure on Widow's Benefit between 1995/1996 and 2008/2009 had a seasonal pattern**

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

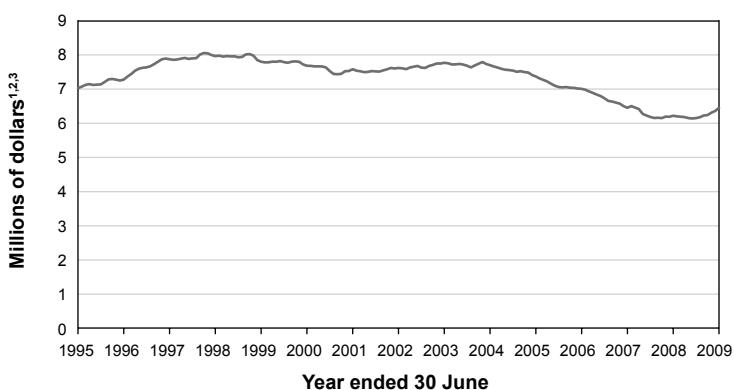
- Training Incentive Allowance
- benefit advances.

These payments were made to clients who:

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

figure  
WB.2

**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 BU.2 shows trends since 1940 in expenditure on Widow's Benefits, including expenditure on supplementary benefits paid to people receiving a Widow's Benefit.<sup>WB1</sup>

WB1 In table BU.2, expenditure on Widow's Benefits from 1996 reflects deductions for debts established and clients receiving an overseas pension as well as these benefits. These deductions are not reflected in the data in figure WB.2 and table WB.6.

---

## Emergency Benefit

### *Who is it available to?*

An Emergency Benefit is available to people who are ineligible to receive any other main benefit, but are:

- suffering hardship
- unable to earn enough income for themselves (and any family).

Decisions about whether a client is eligible to receive an Emergency Benefit consider:

- why the client cannot receive another benefit (eg medical requirements, residency requirements)
- whether the client meets the hardship criteria (ie low cash assets and no income or means of supporting themselves or a family)
- whether the client has contributed to their situation in any way (eg by not looking for other work in the off season from their main employment)
- whether the client could change their position to ease their hardship (eg look for work, change the focus of their business).

### *Income and asset tests, and pre-benefit requirements*

Income and asset tests apply. There are no pre-benefit requirements for receiving an Emergency Benefit.

### *Work tests*

Recipients are not subject to a work test.

---

## Trends in the number of clients receiving an Emergency Benefit

### *The number of clients receiving Emergency Benefits decreased between 2006 and 2009*

This decrease (see table EB.1) reflected a downward trend over this period in numbers of clients receiving Emergency Benefits who are not working age.

Decreased use of Emergency Benefits between 2007 and 2009 by clients who are not working age reflected, at least in part, the ongoing impact of a change from July 2007 in residency criteria to receive some other benefits.

Many of the clients receiving Emergency Benefits did so because they were not residentially qualified to receive other pensions or main benefits.

### *Around a third of Emergency Benefit recipients were working age in June 2009*

This compared with 39% in 2005 (see table EB.1).

In 2009, 49% of working-age Emergency Benefit recipients were aged 40-64 years (see table EB.1). This compared with 63% in 2007.

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

Age of client at the end of June	2005 Number	2006 Number	2007 Number	2008 Number	2009 Number
	Working-age clients receiving an Emergency Benefit <sup>1</sup>				
18–19 years	116	119	107	123	146
20–24 years	309	314	283	245	330
25–29 years	335	317	273	265	317
30–34 years	334	357	292	251	302
35–39 years	368	343	301	267	281
40–44 years	358	401	325	227	254
45–49 years	386	421	334	215	220
50–54 years	385	403	405	252	225
55–59 years	398	430	448	288	225
60–64 years	489	633	635	506	419
<b>Total working-age clients</b>	<b>3,478</b>	<b>3,738</b>	<b>3,403</b>	<b>2,639</b>	<b>2,719</b>
	Other clients receiving an Emergency Benefit <sup>1</sup>				
<b>Total other clients</b>	<b>5,505</b>	<b>5,958</b>	<b>5,995</b>	<b>5,636</b>	<b>5,344</b>
	All clients receiving an Emergency Benefit <sup>1</sup>				
<b>Total</b>	<b>8,983</b>	<b>9,696</b>	<b>9,398</b>	<b>8,275</b>	<b>8,063</b>

Note

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

***Emergency Benefit recipients became more likely to have received their benefit for less than six months***

In 2009, 41% of these clients had received their benefit for less than six months (see table EB.2). This compared with 30% in 2008.

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

Length of current spell to the end of June	Working-age clients receiving an Emergency Benefit <sup>1</sup>				
	2005 Number	2006 Number	2007 Number	2008 Number	2009 Number
Under 6 months	1,120	1,225	1,047	783	1,107
6 months–2 years	1,213	1,190	1,140	890	784
2–4 years	653	758	714	540	472
4 years or over	492	565	502	426	356
<b>Total</b>	<b>3,478</b>	<b>3,738</b>	<b>3,403</b>	<b>2,639</b>	<b>2,719</b>

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*****Between 2005 and 2009, very small numbers of New Zealanders received an Emergency Benefit***

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

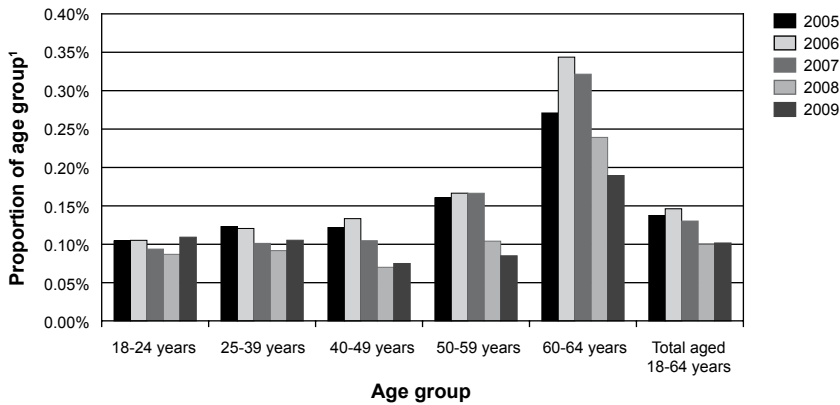


**Over the same period, older working-age people were most likely to be receiving an Emergency Benefit**

Between 2005 and 2009, a significantly higher proportion of 60–64 year olds than of younger people received an Emergency Benefit at the end of June (see figure EB.1).

figure EB.1

**Proportions of working-age people receiving an Emergency Benefit, by age**



Note

- 1 Proportion shows:
  - a numbers 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 PP.7 for a summary of the data underlying figure EB.1.

**Trends in Emergency Benefits granted**

**Numbers of Emergency Benefits granted increased as the economy moved in to recession**

The increase between 2007/2008 and 2008/2009 (see table EB.3):

- reflected growth in use of Emergency Benefits among working-age clients
- followed decreases over the previous two years.

**Between 2007/2008 and 2008/2009, a large majority of Emergency Benefits granted were to working-age clients**

Eighty-three percent of Emergency Benefits granted in 2008/2009 were to working-age clients (see table EB.3). This compared with 79% in 2007/2008.

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

**Between 2007/2008 and 2008/2009, clients granted Emergency Benefits became less likely to have received a main benefit in the previous 12 months**

Forty-two percent of clients granted Emergency Benefits in 2008/2009 had received a main benefit in the previous 12 months (see table EB.3). This compared with 53% in 2004/2005.



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

Period since client last received any main benefit	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number
	Number of Emergency Benefits granted to working-age clients <sup>1</sup>				
None (clients transferring within the benefit system) <sup>2</sup>	1,337	1,386	1,142	723	717
Under 6 months	3,005	2,803	2,414	1,880	1,986
6–12 months	1,044	1,065	896	667	813
12–18 months	302	365	316	270	284
18 months–2 years	259	304	280	212	267
2–4 years	429	513	513	424	611
Had not received a main benefit in previous four years	1,193	1,467	1,454	1,505	1,935
<b>Total granted to working-age clients</b>	<b>7,569</b>	<b>7,903</b>	<b>7,015</b>	<b>5,681</b>	<b>6,613</b>
	Number of Emergency Benefits granted to other clients <sup>1</sup>				
<b>Total granted to other clients</b>	<b>1,946</b>	<b>1,824</b>	<b>1,575</b>	<b>1,531</b>	<b>1,361</b>
	Total number of Emergency Benefits granted <sup>1</sup>				
<b>Total</b>	<b>9,515</b>	<b>9,727</b>	<b>8,590</b>	<b>7,212</b>	<b>7,974</b>

## Notes

- Numbers of successful applications for Emergency Benefits recorded in SWIFTT in years ended June.
- Includes transfers from a different type of benefit or from the same type of benefit. Transfers from the same type of benefit occur when benefits are cancelled and restarted for administrative reasons (eg a review of entitlement).

**Trends in cancellations of Emergency Benefits****Numbers of Emergency Benefits cancelled decreased in 2008/09**

The decrease between 2006/2007 and 2008/2009 (see table EB.4) was primarily among working-age clients.

**Most clients cancelling Emergency Benefits between 2004/2005 and 2008/2009 were working age**

Around 77% of clients cancelling Emergency Benefits in 2007/2008 and 2008/2009 were working age (see table EB.4). This proportion decreased from 86% to 77% between 2004/2005 and 2007/2008.

Of the clients not of working age who cancelled Emergency Benefits over this period, virtually all have been aged 65 years or over. A majority of these clients cancelled their benefit because they:

- left New Zealand, or
- transferred to another pension or main benefit (usually to New Zealand Superannuation).

table  
EB.4**Ages of clients cancelling Emergency Benefits**

Age group of client at date of cancellation	Cancellations of Emergency Benefits <sup>1</sup>				
	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number
Working-age clients	8,420	7,457	7,298	6,468	6,244
Other clients	1,357	1,461	1,692	1,906	1,765
<b>Total</b>	<b>9,777</b>	<b>8,918</b>	<b>8,990</b>	<b>8,374</b>	<b>8,009</b>

## Note

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

**Between 2006/2007 and 2008/2009, clients cancelling Emergency Benefits became less likely to be entering paid work**

Forty-eight percent of clients cancelling Emergency Benefits in 2007/2008 and 2008/2009 entered paid work (see table EB.5). This compared with 54% in 2006/2007.

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

table  
EB.5

**Recorded reasons for working-age clients cancelling Emergency Benefits**

Reason for cancellation	Cancellations of Emergency Benefits <sup>1</sup>				
	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number
Obtained paid work <sup>2</sup>	3,859	3,814	3,974	3,100	2,986
Other <sup>2</sup>	4,561	3,643	3,324	3,368	3,258
<b>Total cancelled by working-age clients</b>	<b>8,420</b>	<b>7,457</b>	<b>7,298</b>	<b>6,468</b>	<b>6,244</b>

Notes

- 1 Numbers of cancellations of Emergency 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 These cancellations occurred for administrative reasons (eg to test ongoing eligibility or change payment rates), because clients transferred to another benefit, or because clients moved out of the benefit system without taking up paid work. People may leave the benefit system without taking up work for a range of reasons including entering full-time study, entering a new relationship, or leaving the country.

**Trends in number transferring to other benefit types**

**Transfers from Emergency Benefits fluctuated between 2006/2007 and 2008/2009**

This pattern (see table EB.6):

- reflected the impact of changes from July 2007 to residency criteria for many main benefits
- followed two years of decreases.

**Between 2004/2005 and 2008/2009, almost all transfers from Emergency Benefits were to New Zealand Superannuation, pensions or other main benefits**

Over this period, the proportion of transfers from Emergency Benefits to unemployment-associated benefits or carer's benefits decreased from 74% to around 61% (see table EB.6).

table  
EB.6

**Transfers from Emergency Benefits by working-age clients<sup>1</sup>**

Type of transfer	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number
Transferred to New Zealand Superannuation, pensions or another type of main benefit	2,212	1,567	1,475	1,749	1,504
Transferred to another Emergency Benefit	123	147	69	65	57
<b>Total transfers</b>	<b>2,335</b>	<b>1,714</b>	<b>1,544</b>	<b>1,814</b>	<b>1,561</b>

Note

- 1 Numbers of administrative transfers from Emergency Benefits recorded in SWIFTT during years ended June. The date of these transfers reflects the date at which the new benefit was granted, not the date at which the former benefit was cancelled.

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## **Transitional Retirement Benefit**

Transitional Retirement Benefits were available between 1 April 1994 and 31 March 2004. These benefits were fully phased out once the eligibility age for these benefits reached the same level as that for New Zealand Superannuation.

### ***Who was it available to?***

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
- were affected by the increase in the age of eligibility for New Zealand Superannuation which occurred between April 1992 and April 2001.

The age of eligibility for a Transitional Retirement Benefit:

- was set at 60 years on 1 April 1994
- rose by three months every six months until 31 March 2004, when it reached 65 years.

Once the eligibility age for Transitional Retirement Benefit reached 65 years on 1 April 2004, the phasing-out of Transitional Retirement Benefits was complete.

Since that date, no one has received or been granted a Transitional Retirement Benefit.

### ***How was the age of eligibility for New Zealand Superannuation changed between 1992 and 2001?***

The age of eligibility for New Zealand Superannuation was:

- raised from 60 years to 61 years on 1 April 1992
- raised incrementally (three months every six months) between 1 April 1993 and 1 April 2001
- fixed at 65 years from 1 April 2001.

### ***More information about Transitional Retirement Benefits***

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

## Supplementary Benefits

### ***What are supplementary benefits for?***

Supplementary benefits are available to assist with meeting specific costs that cannot be met from the client's usual income or from other sources. Costs that may be met by supplementary benefits include:

- accommodation costs
- childcare costs
- some training costs
- health-related or medical-related costs.

Most supplementary benefits are paid on an ongoing basis. Supplementary benefits can also be paid:

- for short periods in response to a specific need (eg childcare costs during school holidays), or
- as one-off lump sums.

### ***Who can receive supplementary benefits?***

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

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

These benefits are designed to assist clients who are having difficulty meeting these costs from their usual income.

Eligibility for supplementary benefits usually depends on income and assets.

### ***What if people need help with more than one of the costs covered by supplementary benefits?***

People may receive more than one supplementary benefit. Each supplementary benefit is aimed at assisting with specific costs.

Payments of some supplementary benefits can cover more than one person. For example, a client may receive payments of the Childcare Subsidy that cover more than one child.

For supplementary benefits where this is possible, this report shows information on the total number of people covered by payments received.

**Payment rates for supplementary benefits**

Table SP.1 shows maximum weekly rates for a selection of the most commonly paid supplementary benefits. The 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  
SP.1

**Weekly payment rates for selected supplementary benefits (payable from 1 April 2009)**

Supplementary benefit <sup>1</sup>	Status	Maximum weekly payment rate <sup>2</sup>
Accommodation Supplement <sup>3</sup>	Living in North and Central Auckland	\$225.00
	Living in other high-cost housing areas <sup>4</sup>	\$165.00
	Living in other main provincial centres <sup>5</sup>	\$120.00
	Living elsewhere in New Zealand	\$75.00
Training Incentive Allowance	Maximum weekly rate	\$96.56
	(Maximum per year \$3,862.40)	
Disability Allowance	Maximum amount	\$55.88
Child Disability Allowance	Fixed rate	\$42.11
Childcare Subsidy <sup>6</sup>	Maximum amount	\$181.50
Unsupported Child's Benefit and Orphan's Benefit (per child)	Child is aged 14 years or over	\$185.25
	Child is aged 10–13 years	\$169.45
	Child is aged 5–9 years	\$153.55
	Child is aged under 5 years	\$132.32
Working for Families Tax Credit <sup>7,8</sup>	First child or only child 15 years or under	\$86.29
	Second or subsequent child 0–12 years	\$59.98
	Second or subsequent child 13–15 years	\$68.40
	First child or only child 16 years and over	\$99.96
	Second or subsequent child 16 years or over	\$89.44

Notes

- 1 This is a selection of the more commonly paid 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 2009.
- 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.

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## Accommodation supplement

### ***What costs are covered?***

An Accommodation Supplement can be used 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, which is dependent on where the client lives. An Accommodation Supplement meets 70% of accommodation-related costs over an entry threshold, up to a maximum that varies according to region and household size. For boarders, 62% of their boarding costs are considered as accommodation-related costs.

### ***Who can receive an Accommodation Supplement?***

An Accommodation Supplement is available to assist people with limited income and limited cash assets to meet their accommodation costs.

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

### ***Income and asset tests***

Income and asset tests must be met.

### ***Recent changes in administration of Accommodation Supplement***

From October 2004, the Working for Families package:

- increased the income limits for Accommodation Supplements
- 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, 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
- the maximum level of supplement available in some areas was increased.

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## Trends in the number of clients receiving an Accommodation Supplement

### ***Numbers receiving Accommodation Supplements increased in 2008/09***

The increase between 2008 and 2009 (see table AS.1) followed decreases between 2005 and 2007.

Changes in numbers receiving supplements largely reflected patterns in use of main benefits.

### ***Between 2008 and 2009, Accommodation Supplement recipients became more likely to be receiving unemployment-associated benefits***

Sixteen percent of Accommodation Supplement recipients in 2009 were receiving an unemployment-associated benefit (see table AS.1). This compared with 7% in 2008. This increase reflected growth in numbers receiving unemployment-associated benefits.

table  
AS.1

**New Zealand Superannuation, pension or main benefit paid to clients receiving an Accommodation Supplement**

New Zealand Superannuation, pension or main benefit paid at the end of June	Clients receiving an Accommodation Supplement <sup>1</sup>				
	2005 Number	2006 Number	2007 Number	2008 Number	2009 Number
Unemployment-associated benefits <sup>2</sup>	37,756	32,518	21,286	18,265	46,011
Carer's benefits <sup>3</sup>	75,279	72,537	68,459	68,904	75,916
Sickness-related benefits <sup>4</sup>	31,268	33,198	34,113	33,522	40,403
Invalid's Benefit	35,179	37,043	38,265	41,755	43,345
Widow's Benefit	2,497	2,388	2,204	2,155	2,296
Emergency Benefit	5,582	6,034	5,806	5,143	5,161
New Zealand Superannuation	18,570	20,141	21,281	22,452	24,143
Veteran's Pension	325	333	325	348	380
No New Zealand Superannuation, pension or main benefit <sup>5</sup>	36,156	45,186	51,694	52,966	55,733
<b>Total</b>	<b>242,612</b>	<b>249,378</b>	<b>243,433</b>	<b>245,510</b>	<b>293,388</b>

Notes

- 1 Numbers of clients recorded in SWIFTT as receiving an Accommodation Supplement at the end of June.
- 2 Comprises Unemployment Benefits, Unemployment Benefits – Hardship, Unemployment Benefits – Training, Unemployment Benefits – Hardship – Training, Unemployment Benefits – Student – Hardship, Independent Youth Benefits paid to clients aged 18 years or over.
- 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.

**Between 2005 and 2009, a majority of Accommodation Supplement recipients were renting privately**

Over this period, around 59% of Accommodation Supplement recipients were renting privately (see table AS.2). Around another 21% were boarding.

table  
AS.2

**Ownership status of clients receiving an Accommodation Supplement**

Ownership status at the end of June	Clients receiving an Accommodation Supplement <sup>1</sup>				
	2005 Number	2006 Number	2007 Number	2008 Number	2009 Number
Renting privately	142,076	146,904	145,519	148,173	174,415
Renting from another organisation	6,245	6,627	6,778	7,162	7,680
Boarding	52,357	52,703	48,686	48,901	65,928
Own their own home <sup>2</sup>	41,772	43,115	42,427	41,254	45,360
Unspecified	162	29	23	20	5
<b>Total</b>	<b>242,612</b>	<b>249,378</b>	<b>243,433</b>	<b>245,510</b>	<b>293,388</b>

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 people aged 18 years or over receiving an Accommodation Supplement increased between 2008 and 2009***

This increase (see figure AS.1) reflected:

- increases in numbers receiving main benefits
- increased use of Accommodation Supplements by working families.

This increase followed a slight fall between 2006 and 2008.

***Between 2005 and 2009, younger people were more likely than older people to be receiving an Accommodation Supplement***

Over this period (see figure AS.1):

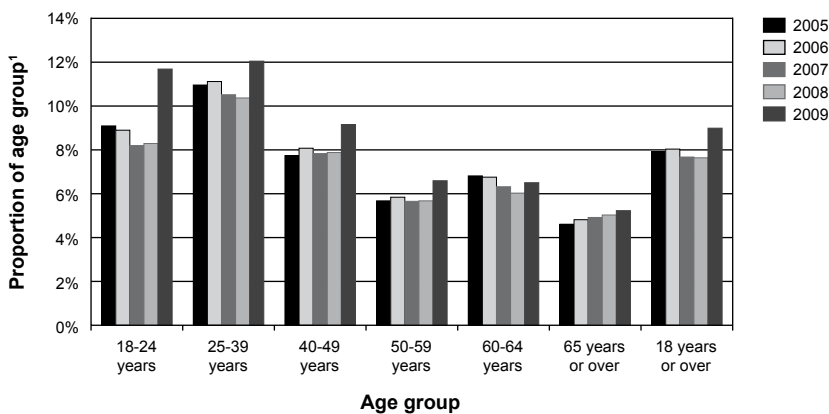
- 18–39 year olds were more likely than older working-age people to receive an Accommodation Supplement
- people aged 65 years or over were least likely to receive an Accommodation Supplement.

These patterns reflected, at least in part, the increased likelihood that younger people:

- were living on low incomes
- did not own their own homes
- had dependent children who were covered by a Working for Families Tax Credit.

**figure AS.1**

**Proportion of people aged 18 years or over receiving an Accommodation Supplement, by age**



Note

- 1 Proportion shows:
  - a numbers 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 PP.9 for a summary of the data underlying figure AS.1.

**Trends in Accommodation Supplements granted**

***The number of Accommodation Supplements granted increased during 2008/09***

This increase (see table AS.3):

- reflected changes in the number of clients receiving a main benefit as the economy moved into recession, particularly unemployment-associated benefits
- followed decreases over the previous three years.

***Clients granted an Accommodation Supplement between 2007/2008 and 2008/2009 became more likely to be receiving unemployment-associated benefits***

Thirty-nine percent of clients granted Accommodation Supplements in 2008/2009 were receiving an unemployment-associated benefit (see table AS.3). This compared with 30% in 2007/2008.

This increase followed four years of decreases.

There were slight decreases between 2007/2008 and 2008/2009 in the proportions of these clients who were receiving (see table AS.3):

- each other type of main benefit
- no New Zealand Superannuation, pension or main benefit.

These changes reflected changes in numbers receiving different types of main benefits.

**New Zealand Superannuation, pension or main benefit paid to clients granted an Accommodation Supplement**

table AS.3

New Zealand Superannuation, pension or main benefit received when Accommodation Supplement granted	Accommodation Supplements granted <sup>1</sup>				
	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number
Unemployment-associated benefits <sup>2</sup>	93,144	83,813	71,961	61,745	102,444
Carer's benefits <sup>3</sup>	34,534	32,211	31,161	33,476	38,510
Sickness-related benefits <sup>4</sup>	38,066	38,597	39,647	40,822	46,750
Invalid's Benefit	10,935	10,344	10,313	12,790	10,408
Widow's Benefit	1,054	863	760	830	944
Emergency Benefit	6,739	6,963	6,183	5,344	5,991
New Zealand Superannuation	5,483	5,499	5,652	6,010	6,689
Veteran's Pension	123	105	100	108	109
No New Zealand Superannuation, pension or main benefit <sup>5</sup>	44,170	45,877	48,442	46,749	50,516
<b>Total</b>	<b>234,248</b>	<b>224,272</b>	<b>214,219</b>	<b>207,874</b>	<b>262,361</b>

Notes

- 1 Numbers of successful applications for Accommodation Supplements recorded in SWIFTT during years ended June.
- 2 Comprises Unemployment Benefits, Unemployment Benefits – Hardship, Unemployment Benefits – Training, Unemployment Benefits – Hardship – Training, Unemployment Benefits – Student – Hardship, Independent Youth Benefits paid to clients aged 18 years or over.
- 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.

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### **Trends in expenditure on Accommodation Supplements**

#### ***Accommodation Supplement expenditure increased between 2003/2004 and 2008/2009***

This increase (see table AS.4) accelerated between 2007/2008 and 2008/2009.

This pattern reflected a combination of:

- increases in 2004/2005 and later years in numbers of working people receiving an Accommodation Supplement
- a sharp increase between 2008 and 2009 in the number of clients receiving unemployment-associated benefits and carer's benefits, many of whom were also eligible for an Accommodation Supplement
- 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 Benefits (DPB) and working households between 2006/2007 and 2007/2008.

#### ***Why did numbers of working people receiving Accommodation Supplements increase from 2004/2005?***

Increased receipt of Accommodation Supplements from 2004/2005 was largely due to broadened eligibility under the Working for Families package.

#### ***Why did spending on Accommodation Supplements for DPB recipients and working people level off from 2006/2007?***

This reflected changes in the number of these clients receiving Accommodation Supplements.

#### ***Why did expenditure on Accommodation Supplements decrease between 1999/2000 and 2000/2001?***

This reflected the impact of the reintroduction of income-related rents for state rental homes in November 2000.

table  
AS.4

**Annual expenditure on Accommodation Supplements**

Year ended June	Expenditure on Accommodation Supplements <sup>1,2,3</sup> (\$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
2008/2009	969

Notes

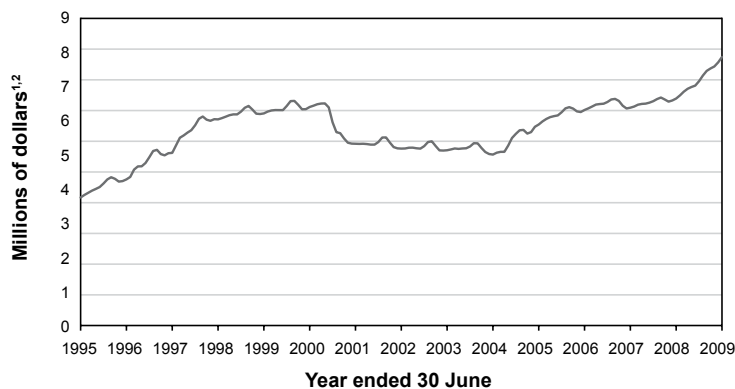
- 1 Expenditure on Accommodation Supplements in years ended June.
- 2 Expenditure shown is adjusted to payment periods based on a standard 30-day month and smoothed using a two-month moving average. Accommodation Supplements are not subject to taxation.
- 3 Expenditure data in this table differs from, 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 between 1995/1996 and 2008/2009 showed a degree of seasonal variation**

Over this period, Accommodation Supplement expenditure showed small seasonal peaks in summer (see figure AS.2). These reflected the seasonal peak in uptake of main benefits that occurs around this time.

figure  
AS.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.

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## Tenure Protection Allowance

### ***What costs are covered?***

These allowances assisted state house tenants facing hardship as a result of market-related rents when they had to move to other accommodation.

The Tenure Protection Allowance was set at the difference between:

- the actual market rent payable
- the average rent for a household of the same size in the same region.

Tenure Protection Allowances were a transitional provision, available between June 1993 and November 2000. The allowance was abolished following the reintroduction of income-related rents for state rental homes in November 2000.

### ***When were market-related rents in force for state houses, and which houses were affected?***

Market-related rents for state houses were introduced from October 1992, and abolished in November 2000. They applied to Housing Corporation New Zealand (HCNZ) properties and to properties managed by Te Puni Kōkiri.

### ***Who could receive a Tenure Protection Allowance?***

To be eligible for an allowance, clients needed to be living in a state house on 1 October 1992 and to demonstrate that they were facing hardship as a result of moving to another state house.

No one has become eligible to receive an allowance since 1 October 1992.

### ***Trends in use of Tenure Protection Allowances***

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

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## Special Transfer Allowance

### ***What costs are covered?***

These allowances covered the same costs as a Tenure Protection Allowance.

Special Transfer Allowances provided ongoing assistance to those who:

- had previously qualified for a Tenure Protection Allowance
- lost that entitlement when they either:
  - moved from their HNZC property, or
  - continued to live in their ex-state rental home after it had been sold by HNZC.

Entitlement to a Tenure Protection Allowance was lost whether tenants moved to another HNZC property or to a property rented from a private landlord.

Special Transfer Allowances were introduced on 1 October 1996.

### ***Who could receive a Special Transfer Allowance?***

Entitlement to a Special Transfer Allowance was restricted to clients who had:

- been living in state rental homes on 1 October 1992
- previously received a Tenure Protection Allowance.

### ***Numbers receiving a Special Transfer Allowance decreased between 2005 and 2009***

Over this period, the number of Special Transfer Allowance recipients decreased from 100 to 48. This reflected attrition from the original group of clients who were eligible for an allowance.

### ***Over this period, almost all recipients of Special Transfer Allowances were receiving New Zealand Superannuation***

This reflected the high proportion of allowance recipients who were aged 65 years or over.

### ***No Special Transfer Allowances were granted in 2008/2009***

This follows four years when between one and three were granted. These were low numbers compared with earlier years. This reflected attrition from the original group of clients who were eligible for an allowance.

### ***Between 2001/2002 and 2008/2009, combined annual expenditure on Tenure Protection Allowances and Special Transfer Allowances was under half a million dollars a year***

These low levels of expenditure reflected:

- the reintroduction of income-related rents in November 2000
- the related abolition of the Tenure Protection Allowance programme.

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## Away from Home Allowance

### ***What costs are covered?***

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.

The amount of Away from Home Allowance payable is calculated in a similar manner to an Accommodation Supplement. It is calculated as the difference between:

- the threshold for rental or boarding costs which applies to a single 18 year old receiving an Unemployment Benefit, and
- maximum accommodation costs funded (which depend on where the young person is living).

All accommodation costs must be verified when applying for an Away from Home Allowance.

### ***Who can receive an Away from Home Allowance?***

For an Away from Home Allowance to be paid, clients must be:

- the principal caregiver for the child
- entitled to receive Family Tax Credits for the child.

In addition, the young person must be living away from home in order to undertake a course that (if they were old enough to receive one) would qualify them for either:

- a Student Allowance, or
- an Unemployment Benefit.

The allowance is income tested, but is non-taxable and is not asset tested.

### ***Numbers of clients receiving an Away from Home Allowance increased between 2006 and 2009***

Over this period, the number of clients receiving an Away from Home Allowance increased from 39 to 63.

### ***Between 2008 and 2009, most recipients of Away from Home Allowances were working families***

Seventy percent of clients receiving an Away from Home Allowance in 2009 were not receiving New Zealand Superannuation, a pension or a main benefit. This is a slight fall from 75% in 2008. There was a corresponding increase in the proportion of these clients who were receiving a carer's benefit.

### ***The number of allowances granted increased between 2005/2006 and 2008/2009***

The number of Away from Home Allowances granted increased from 92 in 2005/2006 to 126 in 2008/2009.

### ***Most clients granted allowances in 2007/2008 and 2008/2009 were working families***

Sixty-five percent of the allowances granted in 2008/2009 were provided to clients who were not receiving New Zealand Superannuation, a pension or a main benefit. This compared with 69% in 2007/2008.

There was a corresponding increase in the proportion granted to clients receiving a carer's benefit.

## Unsupported Child's Benefit and Orphan's Benefit

### What costs are covered?

These benefits are paid as a contribution to the costs of caring for a child. For these benefits to be paid, the child must be being cared for:

- on a long-term basis
- by someone who is not their natural parent, adoptive parent or step-parent.

### Who can receive these benefits?

An Unsupported Child's Benefit is available to the principal caregiver of a child whose natural, adoptive or step-parents are, because of a family breakdown, unable to:

- care for the child, or
- provide fully for the child's support.

An Orphan's Benefit is available to the principal caregiver of a child whose natural or adoptive parents cannot support the child because they:

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

In both cases, the caregivers must be:

- aged 18 years or over
- available to care for the child for at least 12 months.

### Residency tests and pre-benefit requirements

Residency tests apply to these benefits.

The caregiver receiving the benefit is not income tested. These benefits are income tested on income the child receives other than their personal earnings.

These benefits are not taxable, and the child for whom the benefit is paid is not work tested.

There are no pre-benefit requirements for these benefits.

No breakdown in the child's family needs to be established for an Orphan's Benefit to be payable.

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

### Numbers receiving Unsupported Child's Benefits increased between 2005 and 2009

Numbers receiving Orphan's Benefits fluctuated over the same period, but remained low (see table UO.1).

table  
UO.1

### Numbers of clients receiving Unsupported Child's Benefits or Orphan's Benefits

Benefit received at the end of June	Clients receiving an Unsupported Child's Benefit or Orphan's Benefit <sup>1</sup>				
	2005 Number	2006 Number	2007 Number	2008 Number	2009 Number
Unsupported Child's Benefit	6,908	7,125	7,205	7,439	7,716
Orphan's Benefit	371	377	382	334	318
<b>Total</b>	<b>7,279</b>	<b>7,502</b>	<b>7,587</b>	<b>7,773</b>	<b>8,034</b>

Note

1 Numbers of clients recorded in SWIFTT as receiving an Unsupported Child's Benefit or Orphan's Benefit at the end of June.



***Around half of the clients receiving these benefits between 2005 and 2009 were working families***

Fifty-three percent of clients receiving these benefits in 2009 were not being paid New Zealand Superannuation, a pension or a main benefit (see table UO.2). This is a slight increase from 50% in 2005.

table  
UO.2

**New Zealand Superannuation, pension or main benefit paid to clients receiving an Orphan's Benefit or an Unsupported Child's Benefit**

New Zealand Superannuation, pension or main benefit paid at the end of June	Clients receiving an Unsupported Child's Benefit or Orphan's Benefit <sup>1</sup>				
	2005 Number	2006 Number	2007 Number	2008 Number	2009 Number
Unemployment-associated benefits <sup>2</sup>	300	239	172	133	184
Carer's benefits <sup>3</sup>	1,007	1,005	995	1,030	1,083
Sickness-related benefits <sup>4</sup>	341	360	369	311	319
Invalid's Benefit	713	671	692	747	786
Widow's Benefit	145	145	143	134	130
Emergency Benefit	197	223	215	129	110
New Zealand Superannuation	896	948	917	967	1,007
Veteran's Pension	17	13	12	16	11
No New Zealand Superannuation, pension or main benefit	3,663	3,898	4,072	4,306	4,404
<b>Total</b>	<b>7,279</b>	<b>7,502</b>	<b>7,587</b>	<b>7,773</b>	<b>8,034</b>

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, Unemployment Benefits – Hardship, Unemployment Benefits – Training, Unemployment Benefits – Hardship – Training, Unemployment Benefits – Student – Hardship, Independent Youth Benefits paid to clients aged 18 years or over.
- 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 BU.1 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 for whom an Unsupported Child's Benefit or an Orphan's Benefit is paid**

***Note – clients may receive payments of these benefits for more than one child***

The number of children for whom Unsupported Child's Benefits or Orphan's Benefits are paid may differ from the number of clients receiving those benefits. This is because clients may receive these benefits for more than one child.

***Numbers of children assisted by Unsupported Child's Benefits and Orphan's Benefits increased between 2005 and 2009***

This increase (see table UO.3) largely reflected increased numbers of children aged under 14 years who were assisted by these benefits. The proportion of children under 18 years who were assisted by these benefits increased between 2005 and 2009.

***Over this period, most of the children assisted by these benefits were aged under 14 years***

Around 69% of the children assisted by these benefits between 2005 and 2009 were aged under 14 years (see table UO.3).

table  
UO.3

**Ages of children assisted by an Unsupported Child's Benefit or an Orphan's Benefit**

Age of child at the end of June	Children assisted by an Unsupported Child's Benefit or Orphan's Benefit <sup>1,2</sup>				
	2005 Number	2006 Number	2007 Number	2008 Number	2009 Number
0-4 years	1,193	1,299	1,364	1,467	1,562
5-9 years	2,637	2,736	2,863	2,978	3,050
10-13 years	2,746	2,862	2,929	3,002	3,070
14-17 years	3,056	3,133	3,127	3,121	3,279
18-19 years	100	117	121	104	128
<b>Total</b>	<b>9,732</b>	<b>10,147</b>	<b>10,404</b>	<b>10,672</b>	<b>11,089</b>

Notes

- 1 Numbers of children recorded in SWIFTT as being assisted by an Unsupported Child's Benefit or an Orphan's Benefit at the end of June.
- 2 A client can receive Unsupported Child's Benefit or Orphan's Benefit payments for more than one child. Therefore, the number of children for whom Unsupported Child's Benefits or Orphan's Benefits were 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 assisted by an Unsupported Child's Benefit or an Orphan's Benefit**

*Between 2005 and 2009, children under 18 years became slightly more likely to be assisted by an Unsupported Child's Benefits or an Orphan's Benefit*

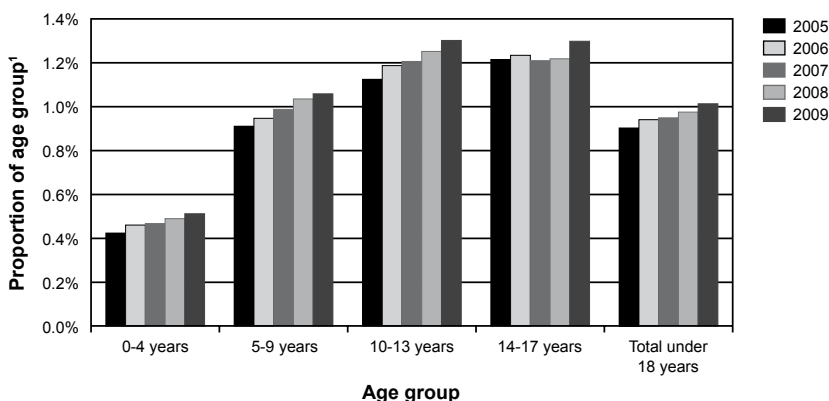
The proportion of children aged under 18 years who were assisted by an Unsupported Child's Benefit or an Orphan's Benefit increased slightly between 2005 and 2009 (see figure UO.1).

*Over this period, older children were more likely than younger children to be assisted by these benefits*

Between 2005 and 2009, 10-17 year olds were more likely than younger children to be assisted by these benefits (see figure UO.1).

figure  
UO.1

**Proportion of children aged under 18 years assisted by an Unsupported Child's Benefit or an Orphan's Benefit, by age**



Note

- 1 Proportion shows:
  - a numbers of children in age group recorded in SWIFTT as being assisted by an Unsupported Child's Benefit or an Orphan's Benefit at the end of June, divided by
  - b Statistics New Zealand final estimate of the resident population in age group at the end of June.

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

### Trends in Unsupported Child's Benefits and Orphan's Benefits granted

#### *Numbers granted these benefits fluctuated between 2006/2007 and 2008/2009*

No clear trend is visible over this period in grants of these benefits (see table UO.4).

#### *A majority of clients granted these benefits between 2004/2005 and 2008/2009 had a dependent child aged under 14 years*

Over this period, around 58% of clients granted these benefits had at least one dependent child aged under 14 years (see table UO.4). This includes around 35% with a child aged under 10 years.

table  
UO.4

#### 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 <sup>1</sup>				
	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number
0–4 years	605	593	614	698	714
5–9 years	502	465	471	527	479
10–13 years	767	706	646	792	679
14–17 years	1,403	1,380	1,346	1,605	1,453
18–19 years	1	2	5	15	2
Unspecified	0	1	0	0	0
Not Applicable <sup>2</sup>	11	7	11	11	7
<b>Total</b>	<b>3,289</b>	<b>3,154</b>	<b>3,093</b>	<b>3,648</b>	<b>3,334</b>

#### Notes

- 1 Numbers of successful applications for Unsupported Child's Benefits or Orphan's Benefits recorded in SWIFTT during years ended June.
- 2 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

#### *Expenditure on these benefits increased between 1995/1996 and 2008/2009*

This increase (see table UO.5) largely reflected increases in the number of children covered by Unsupported Child's Benefits.

Payment rates for these benefits were adjusted during 1996/1997, 1997/1998, 2004/2005, 2006/2007 and 2008/2009. These adjustments also contributed to increases in expenditure on these benefits.

#### *How large were the adjustments made to the payment rate?*

All payment rates were increased by \$15 per week in April 2005 and by another \$20 per week in April 2007. These increases replaced the usual annual general inflation adjustment.

In April 2009, the payment rates were increased further as they were aligned with the Foster Care Allowance payment rates.

table  
UO.5

**Combined annual expenditure on Unsupported Child's Benefits and Orphan's Benefits**

Year ended June	Expenditure on Unsupported Child's Benefits and Orphan's Benefits <sup>1,2,3</sup> (\$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
2008/2009	87

Notes

- 1 Expenditure on Unsupported Child's Benefits and Orphan's Benefits in years ended June, including expenditure on other supplementary benefits received by clients receiving an Orphan's Benefit or an Unsupported Child's Benefit.
- 2 Expenditure figures shown are adjusted to payment periods based on a standard 30-day month and smoothed using a two-month moving average. Unsupported Child's Benefits and Orphan's Benefits are not subject to taxation.
- 3 Expenditure data in this table differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

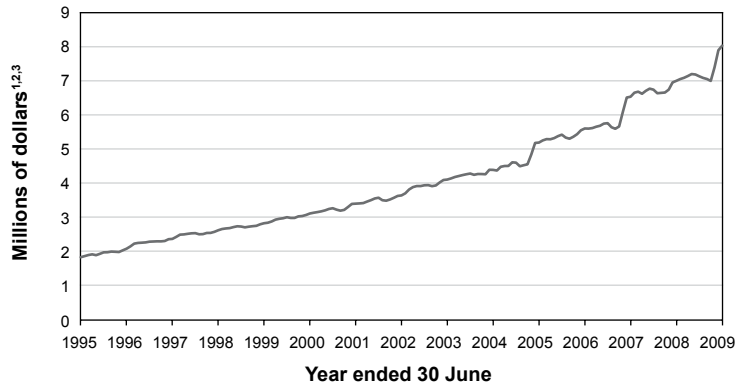
**Annual expenditure on Unsupported Child's Benefits and Orphan's Benefits showed seasonal variation between 1995/1996 and 2008/2009**

Over this period, expenditure on these benefits decreased slightly at the beginning of each calendar year (see figure UO.2). This reflected a seasonal dip in applications in January, combined with ongoing cessations as children turn 18 years of age.

Increases in expenditure in April 2005 and April 2007 reflected the one-off increases in payment rates outlined above.

figure  
UO.2

**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.

**For more information about use of these benefits, see table BU.2**

This table shows trends since 1940 in combined expenditure on Orphan's Benefits and Unsupported Child's Benefits. The table includes expenditure on other supplementary benefits received by clients receiving these benefits.<sup>UO1</sup>

UO1 In table BU.2, expenditure from 1996 onwards reflects deductions for debts established on Unsupported Child's Benefits or Orphan's Benefits. These deductions are not reflected in the data shown in table UO.6 and figure UO.2.

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## Childcare Assistance

Childcare assistance available from Work and Income comprises:

- Childcare Subsidies
- OSCAR (Out of School Care and Recreation) Subsidies.

### Childcare Subsidies

#### **What costs are covered?**

The Childcare Subsidy programme assists with the costs of childcare faced by working families.

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

- they are in employment, in training, or participating in an activity approved by Work and Income
- they or their child has a disability or serious illness.

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

The Childcare Subsidy:

- is paid directly to the childcare provider
- provides assistance with the cost of:
  - licensed childcare
  - family day care
  - home-based care
  - care in chartered Te Kōhanga Reo.

Childcare Subsidies cannot be paid for hours that are covered by the free early childhood education hours introduced from July 2007.

The subsidy can, however, be used:

- for additional hours, or
- instead of free early childhood education hours.

The combined total of hours covered by free early childcare and the Childcare Subsidy must not exceed the client's maximum entitlement to subsidised hours.

#### **Who can receive a Childcare Subsidy?**

A Childcare Subsidy is available for children aged:

- under five years
- between five and six years if the caregiver also receives a Child Disability Allowance for their child.

Childcare Subsidies are income tested. The income limits below which families may be eligible for a Childcare Subsidy were raised in October 2004 and in October 2005 under the Working for Families package.

#### **Note – these statistics show numbers of children for whom Childcare Subsidies were paid**

Information in this section indicates the number of children for whom Childcare Subsidies were paid.

This information may differ from other published information giving the number of clients receiving or granted a subsidy for one or more children.

## Trends in the numbers of children for whom Childcare Subsidies were paid

### *Numbers of children for whom Childcare Subsidies were paid increased slightly between 2008 and 2009*

This increase (see table CC.1) reflected:

- growth in use of main benefits
- deteriorating economic conditions facing working people.

This followed a decrease in the previous year. The decrease between 2007 and 2008 reflected the impact of the introduction of 20 hours free early childhood education. A number of clients who had received the Childcare Subsidy for less than 20 hours per week ceased the subsidy in order to take up free early childhood education.

### *A large majority of the children for whom these subsidies were paid in 2008 and 2009 were cared for by working families*

Around 69% of the children for whom these subsidies were paid in 2008 and 2009 had caregivers who were not receiving New Zealand Superannuation, a pension or a main benefit (see table CC.1).

Around another 27% of these children had caregivers who were receiving a carer's benefit.

table  
CC.1

### **New Zealand Superannuation, pension or main benefit paid to caregivers of children for whom a Childcare Subsidy was paid**

New Zealand Superannuation, pension or main benefit paid to carer at the end of June	Children for whom a Childcare Subsidy was paid <sup>1</sup>				
	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number
Unemployment-associated benefits <sup>2</sup>	614	506	334	200	482
Carer's benefits <sup>3</sup>	14,457	13,948	13,768	9,377	10,691
Sickness-related benefits <sup>4</sup>	493	542	553	300	404
Invalid's Benefit	631	722	719	518	502
Widow's Benefit	90	95	67	44	34
Emergency Benefit	158	159	150	65	84
New Zealand Superannuation	41	54	51	29	37
Veteran's Pension	0	0	1	1	3
No New Zealand Superannuation, pension or main benefit <sup>5</sup>	16,846	20,889	26,909	24,346	25,683
<b>Total</b>	<b>33,330</b>	<b>36,915</b>	<b>42,552</b>	<b>34,880</b>	<b>37,920</b>

#### Notes

- 1 Numbers of children recorded in SWIFTT as being assisted by a Childcare Subsidy at the end of June. Please note that the timing of this extraction may be altered in some years shown, to avoid school holiday periods.
- 2 Comprises Unemployment Benefits, Unemployment Benefits – Hardship, Unemployment Benefits – Training, Unemployment Benefits – Hardship – Training, Unemployment Benefits – Student – Hardship, Independent Youth Benefits paid to clients aged 18 years or over.
- 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 for whom a Childcare Subsidy was paid**

***Between 2008 and 2009, children under 5 years became slightly more likely to be assisted by a Childcare Subsidy***

The proportion of children aged under five years who were assisted by a Childcare Subsidy rose slightly between 2008 and 2009.

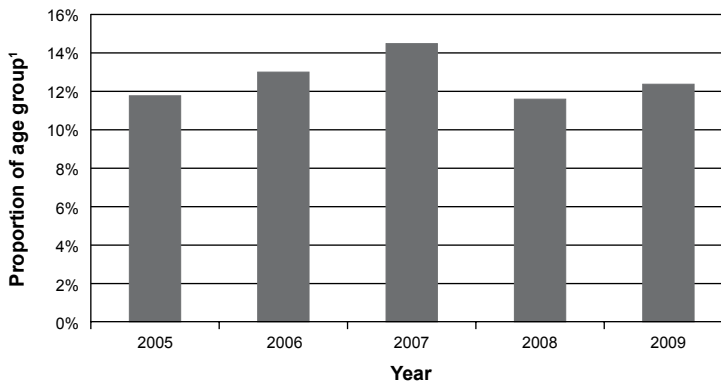
This increase (see figure CC.1) reflected the combined impact of:

- increasing numbers of people receiving main benefits
- increased use of Childcare Subsidies by working families.

This followed a decrease between 2007 and 2008. This decrease reflected the impact of the introduction of 20 hours free early childhood education. As outlined above, many clients receiving the Childcare Subsidy for less than 20 hours per week ceased doing so in order to take up 20 hours free early childhood education.

**figure  
CC.1**

**Proportion of children aged under five years assisted by a Childcare Subsidy**



**Note**

- 1 Proportion shows:
- a number of children aged under five years recorded in SWIFTT as being assisted by a Childcare Subsidy at the end of June, divided by
  - b Statistics New Zealand final estimate of the resident population aged under five years at the end of June.

See table PP.11 for a summary of the data underlying figure CC.1.



## Trends in Childcare Subsidies granted

### **Numbers of Childcare Subsidies granted decreased between 2006/2007 and 2008/2009**

This reduction (see table CC.2) reflected the ongoing implementation of 20 hours free early childhood education. The availability of free early childhood education reduced demand for the subsidy among clients receiving a Childcare Subsidy for less than 20 hours per week.

This followed increases over the previous two years.

### **Most children for whom subsidies were granted in 2007/2008 and 2008/2009 were cared for by working families**

Around 63% of the children for whom subsidies were granted in 2007/2008 and 2008/2009 had caregivers who were not receiving New Zealand Superannuation, a pension or a main benefit (see table CC.2). Another 33% of these children had caregivers receiving carer's benefits.

In 2006/2007 (prior to 20 hours free early childhood education), 57% of children for whom subsidies were granted had caregivers who were not receiving New Zealand Superannuation, a pension or a main benefit (see table CC.2).

The higher proportion of working families in 2007/2008 and 2008/2009 reflected in part the impact of 20 hours free early childhood education. Recipients of main benefits are only eligible for nine hours' subsidy per week per child unless they are employed, in training or undertaking approved work-related activities. This meant that most beneficiaries who took up 20 hours free early childhood education used it to replace the subsidy.

table  
CC.2

### **New Zealand Superannuation, pension or main benefit paid to caregivers of children for whom Childcare Subsidies were granted**

New Zealand Superannuation, pension or main benefit paid to caregiver when Childcare Subsidy granted	Children for whom Childcare Subsidies were granted <sup>1</sup>				
	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number
Unemployment-associated benefits <sup>2</sup>	1,376	1,178	1,007	569	772
Carer's benefits <sup>3</sup>	23,019	23,156	21,988	17,369	16,796
Sickness-related benefits <sup>4</sup>	832	817	863	621	672
Invalid's Benefit	871	924	892	712	702
Widow's Benefit	111	126	95	103	38
Emergency Benefit	279	271	279	152	166
New Zealand Superannuation	54	65	62	51	52
Veteran's Pension	2	0	1	0	3
No New Zealand Superannuation, pension or main benefit <sup>5</sup>	24,023	26,565	32,864	34,460	32,121
<b>Total</b>	<b>50,567</b>	<b>53,102</b>	<b>58,051</b>	<b>54,037</b>	<b>51,322</b>

#### Notes

- 1 Numbers of successful applications for Childcare Subsidies recorded in SWIFTT during years ended June.
- 2 Comprises Unemployment Benefits, Unemployment Benefits – Hardship, Unemployment Benefits – Training, Unemployment Benefits – Hardship – Training, Unemployment Benefits – Student – Hardship, Independent Youth Benefits paid to clients aged 18 years or over.
- 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.

**Nearly half the children covered by subsidies granted in 2007/2008 and 2008/2009 had caregivers in employment**

Around 42% of children for whom subsidies were granted over this period had caregivers in employment (see table CC.3). Another 34% had caregivers who qualified for the subsidy on grounds of low income.

table  
CC.3

**Reasons for granting Childcare Subsidies**

Reason Childcare Subsidy granted	Children covered by Childcare Subsidies granted <sup>1</sup>				
	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number
Disabled parent	601	681	846	930	852
Parent in employment	17,682	17,738	20,768	23,416	21,161
Child receiving Child Disability Allowance	1,448	1,810	2,176	2,232	2,228
Sibling receiving Child Disability Allowance	842	1,190	1,540	1,592	1,777
Sibling in hospital	13	10	20	18	8
Illness or injury	179	178	172	194	179
Parent in training or education	8,575	8,441	8,025	7,572	8,227
Insufficient income	21,227	23,054	24,504	18,083	16,890
<b>Total</b>	<b>50,567</b>	<b>53,102</b>	<b>58,051</b>	<b>54,037</b>	<b>51,322</b>

Note

1 Numbers of successful applications for Childcare Subsidies recorded in SWIFTT during years ended June.

**OSCAR (Out of School Care and Recreation) Subsidy**

**What costs are covered?**

An OSCAR Subsidy pays for out-of-school care for children aged 5–13 years. The subsidy was introduced to assist working families with the cost of approved out-of-school care and holiday programmes.

These subsidies are paid directly to the provider of the childcare.

Children aged 14 years or over may be legally left at home without full-time care and supervision.

**Who can receive these subsidies?**

In some circumstances, people can receive an OSCAR Subsidy for:

- up to 20 hours per week in term time
- up to 50 hours per week in school holidays.

To receive this level of subsidy:

- clients must be in work or study, or
- the client or their child must have a disability or a serious illness.

These subsidies were introduced in February 1999.

**Income, asset and residency tests**

Income, asset and residency tests apply.

**Recent changes to the administration of OSCAR Subsidies**

In October 2004, the income limits below which families may receive an OSCAR Subsidy were raised under the Working for Families package.

The hourly subsidy rates were also increased under the Working for Families package from 4 October 2004 to equal Childcare Subsidy rates. This rate was raised in line with inflation in April 2005 and again in October 2005.

**Note – statistics show the numbers of children for whom subsidies are paid**

The information given below shows the numbers of children for whom subsidies are paid. This information may differ from other published information showing the numbers of clients receiving or granted a subsidy for one or more children.

**Trends in the number of children for whom an OSCAR Subsidy was paid**

**Numbers of children for whom OSCAR Subsidies were paid increased between 2005 and 2009**

This increase (see table CC.4) reflected the widened eligibility and increased subsidy levels over this period. These changes increased the attractiveness of the subsidy as well as widening eligibility for it.

**Between 2007 and 2009, most children for whom these subsidies were paid were in working families**

Over this period, around 82% of the children for whom an OSCAR Subsidy was paid had caregivers who were not receiving New Zealand Superannuation, a pension or a main benefit (see table CC.4). Another 17% had caregivers receiving a carer's benefit.

In 2006, 76% of children for whom these subsidies were paid had caregivers who were not receiving New Zealand Superannuation, a pension or a main benefit. The increase between 2006 and 2007 reflected the widened eligibility of working families under the Working for Families package.

table  
CC.4

**New Zealand Superannuation, pension or main benefit paid to caregivers of children for whom an OSCAR Subsidy was paid**

New Zealand Superannuation, pension or main benefit paid to caregiver at the end of June	Children for whom an OSCAR Subsidy was paid <sup>1</sup>				
	2005 Number	2006 Number	2007 Number	2008 Number	2009 Number
Unemployment-associated benefits <sup>2</sup>	5	5	17	12	20
Carer's benefits <sup>3</sup>	1,273	1,276	1,352	1,531	1,827
Sickness-related benefits <sup>4</sup>	8	7	14	18	25
Invalid's Benefit	10	30	42	59	88
Widow's Benefit	11	13	19	12	16
Emergency Benefit	3	2	3	12	12
New Zealand Superannuation	2	5	4	5	10
No New Zealand Superannuation, pension or main benefit <sup>5</sup>	2,973	4,308	5,924	7,817	8,994
<b>Total</b>	<b>4,285</b>	<b>5,646</b>	<b>7,375</b>	<b>9,466</b>	<b>10,992</b>

Notes

- 1 Numbers of children recorded in SWIFTT as being assisted by an OSCAR Subsidy at the end of June.
- 2 Comprises Unemployment Benefits, Unemployment Benefits – Hardship, Unemployment Benefits – Training, Unemployment Benefits – Hardship – Training, Unemployment Benefits – Student – Hardship, Independent Youth Benefits paid to clients aged 18 years or over.
- 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 for whom an OSCAR Subsidy was paid**

***Between 2005 and 2009, children aged 5–13 years became more likely to be assisted by an OSCAR Subsidy***

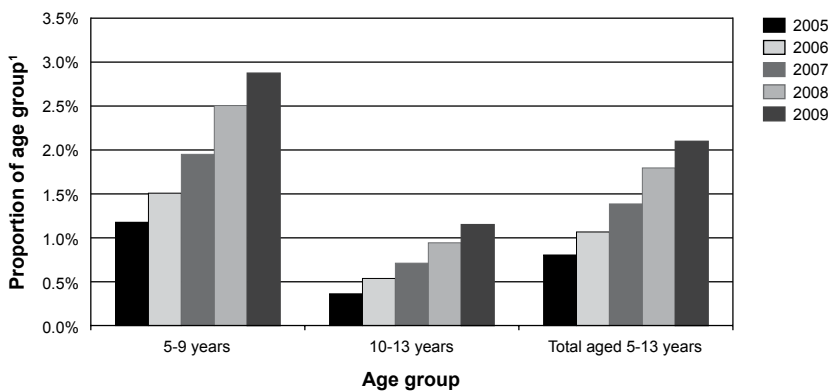
This increase (see figure CC.2) largely reflected the impact of widened eligibility of working families under the Working for Families package.

***Over the same period, younger children were more likely than older children to be assisted by an OSCAR Subsidy***

Between 2005 and 2009, children aged 5–9 years were more likely than children aged 10–13 years to be children assisted by an OSCAR Subsidy (see figure CC.2).

**figure  
CC.2**

**Proportion of children aged 5–13 years who were assisted by an OSCAR Subsidy, by age**



Note

- 1 Proportion shows:
  - a number of children in age group recorded in SWIFTT as being assisted 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 PP.12 for a summary of the data underlying figure CC.2.

**Trends in OSCAR Subsidies granted**

***Numbers of OSCAR Subsidies granted increased between 2004/2005 and 2008/2009***

This increase (see table CC.5) reflected:

- increases in receipt of subsidies by clients who are in training or employment
- the ongoing impact of widened eligibility for subsidies since 2004.

***Most children for whom OSCAR Subsidies were granted between 2007/2008 and 2008/2009 were cared for by working families***

Between 2007/2008 and 2008/2009, around 80% of children for whom OSCAR Subsidies were granted had caregivers who were receiving no New Zealand Superannuation, pension or main benefit (see table CC.5). Eighty-four percent of these children had caregivers who were in employment (see table CC.6).

table  
CC.5**New Zealand Superannuation, pension or main benefit paid to caregivers of children for whom OSCAR Subsidies were granted**

New Zealand Superannuation, pension or main benefit paid to caregivers when OSCAR Subsidy granted	Children for whom OSCAR Subsidies were granted <sup>1</sup>				
	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number
Unemployment-associated benefits <sup>2</sup>	58	39	61	54	81
Carer's benefits <sup>3</sup>	5,775	6,573	6,387	6,684	7,477
Sickness-related benefits <sup>4</sup>	33	37	89	125	163
Invalid's Benefit	85	131	244	302	489
Widow's Benefit	61	77	75	80	75
Emergency Benefit	15	10	23	36	28
New Zealand Superannuation	4	12	12	28	52
Veteran's Pensions	0	0	0	0	0
No New Zealand Superannuation, pension or main benefit <sup>5</sup>	9,380	14,950	20,730	29,254	33,738
<b>Total</b>	<b>15,411</b>	<b>21,829</b>	<b>27,621</b>	<b>36,563</b>	<b>42,103</b>

## Notes

- 1 Numbers of successful applications for OSCAR Subsidies recorded in SWIFTT during years ended June.
- 2 Comprises Unemployment Benefits, Unemployment Benefits – Hardship, Unemployment Benefits – Training, Unemployment Benefits – Hardship – Training, Unemployment Benefits – Student – Hardship, Independent Youth Benefits paid to clients aged 18 years or over.
- 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  
CC.6**Reasons for granting OSCAR Subsidies**

Reason OSCAR Subsidy granted	Children covered by OSCAR Subsidies granted <sup>1</sup>				
	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number
Caregiver in employment	12,347	18,033	23,018	31,208	35,342
Caregiver in training or education	3,064	3,796	4,603	5,354	6,761
<b>Total</b>	<b>15,411</b>	<b>21,829</b>	<b>27,621</b>	<b>36,562</b>	<b>42,103</b>

## 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*****Combined expenditure on Childcare Subsidies and OSCAR Subsidies increased significantly between 2003/2004 and 2008/2009***

This increase (see table CC.7) reflected the impacts of increased numbers receiving subsidies. These increases occurred because of:

- widened eligibility for subsidies under the Working for Families package
- increases between 2006/2007 and 2008/2009 in numbers receiving carer's benefits
- an increase in April 2009 in the income below which a subsidy can be received.

The slowdown of growth in 2007/2008 reflected the impact of the introduction of 20 hours free early childhood education. This reduced numbers receiving Childcare Subsidies as clients receiving Childcare Subsidy for less than 20 hours per week substituted free early childhood education.

The impacts of the Working for Families package included:

- widened eligibility for these subsidies since October 2004
- an increase in October 2004 in the hourly rate for both subsidies (this 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 (this 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).

Combined annual expenditure on Childcare Subsidies and OSCAR Subsidies increased between 1995/1996 and 2003/2004 (see table CC.7). This reflects:

- 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  
CC.7

**Combined annual expenditure on Childcare Subsidies and OSCAR Subsidies**

Year ended June	Expenditure on Childcare Subsidies and OSCAR Subsidies <sup>1,2,3</sup> (\$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
2008/2009	166

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.

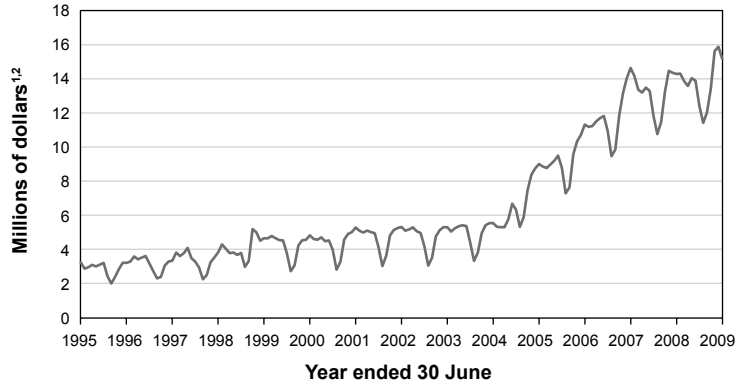
**Combined monthly expenditure on Childcare Subsidies and OSCAR Subsidies showed a strong seasonal pattern**

This pattern (see figure CC.3) reflected:

- higher demand for this assistance during the school/academic year
- a decrease in demand over the summer vacation period.

figure  
CC.3

**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.

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**Disability Allowance**

**What costs are covered?**

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.

A Disability Allowance – Telephone Support (also known as a Telephone Costs Payment) provides a telephone subsidy to people who have ongoing telephone costs as a direct result of their disability.

The Disability Assistance Programme ensured continuity of Disability Allowance payments to people 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.

Statistics below on Disability Allowances combine information on Disability Allowances, Disability Allowances – Telephone Support and the Disability Assistance Programme.

**Who can receive a Disability Allowance?**

A Disability Allowance is available to people who have:

- a disability that:
  - 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 Accident Compensation Corporation (ACC) support for extra costs related to their disability may receive a Disability Allowance for the proportion of those costs not met by ACC.

A Disability Allowance – Telephone Support is only available to people who:

- were in receipt of telephone subsidies as at 31 March 1999, but
- would lose their entitlement to these subsidies if they were assessed under the Disability Allowance criteria effective from 1 April 1999.

No one has been eligible to receive assistance under the Disability Assistance Programme since income thresholds for Disability Allowances were raised in April 2001.

**Income and residency tests**

Income and residency tests apply.

**Trends in the number of people assisted by a Disability Allowance****Note – statistics reflect numbers of people for whom a Disability Allowance is paid**

Statistics in this section show the number of people for whom a Disability Allowance is paid. This information may differ from other published information concerning the number of Disability Allowance recipients. Some clients may be receiving allowances for more than one member of their household.

**Numbers assisted by a Disability Allowance increased between 2005 and 2009**

This increase (see table DA.1) reflected a combination of:

- increases in numbers of clients receiving Invalid's Benefits, sickness-related benefits and New Zealand Superannuation
- the ongoing nature of the costs faced by people for whom an allowance is paid.

Over this period, growth in numbers for whom a Disability Allowance is paid was broadly in line with growth in the population.

**Between 2005 and 2009, around half of the people assisted by Disability Allowances were receiving New Zealand Superannuation**

Over this period, around 51% of the people assisted by allowances were receiving New Zealand Superannuation (see table DA.1). Around 24% were receiving an Invalid's Benefit.



table  
DA.1**New Zealand Superannuation, pension or main benefit paid to clients assisted by a Disability Allowance, or to their caregivers**

New Zealand Superannuation, pension or main benefit paid to the client or caregiver at the end of June	People for whom a Disability Allowance is paid <sup>1</sup>				
	2005 Number	2006 Number	2007 Number	2008 Number	2009 Number
Unemployment-associated benefits <sup>2</sup>	3,372	2,661	1,717	1,301	2,388
Carer's benefits <sup>3</sup>	20,103	18,114	16,961	16,930	19,206
Sickness-related benefits <sup>4</sup>	21,484	21,515	21,235	19,941	24,215
Invalid's Benefit	52,107	52,191	54,923	58,992	60,357
Widow's Benefit	2,464	2,305	2,043	1,937	1,929
Emergency Benefit	2,914	3,274	3,581	3,109	2,857
New Zealand Superannuation	115,736	118,028	119,919	120,029	122,611
Veteran's Pension	3,520	3,777	4,062	4,301	4,455
No New Zealand Superannuation, pension or main benefit <sup>5</sup>	5,134	5,855	6,773	7,055	7,414
<b>Total</b>	<b>226,834</b>	<b>227,720</b>	<b>231,214</b>	<b>233,595</b>	<b>245,432</b>

## Notes

- 1 Numbers of clients recorded in SWIFTT as being assisted by Disability Allowances at the end of June.
- 2 Comprises Unemployment Benefits, Unemployment Benefits – Hardship, Unemployment Benefits – Training, Unemployment Benefits – Hardship – Training, Unemployment Benefits – Student – Hardship, Independent Youth Benefits paid to clients aged 18 years or over.
- 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 assisted by a Disability Allowance*****Between 2005 and 2009, the proportion of New Zealanders assisted by a Disability Allowance was relatively low and stable***

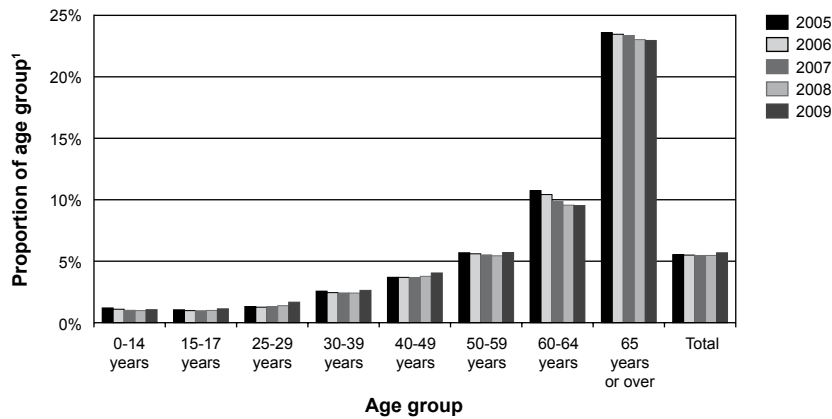
Over this period, Disability Allowances were being paid to around 5% of the New Zealand population (see figure DA.1). The stability of this trend reflected the long-term nature of many of the treatment-related costs faced by clients receiving an allowance.

***Over the same period, people assisted by a Disability Allowance were most likely to be aged 60 years or over***

Between 2005 and 2009, people aged 60 years or over were significantly more likely than younger people to be assisted by an allowance (see figure DA.1). This reflected the impact of ageing on the incidence of long-term or permanent health or disability issues.

figure  
DA.1

**Proportion of the New Zealand population assisted by a Disability Allowance, by age**



Note

- 1 Proportion shows:
  - a numbers of people in age group recorded in SWIFTT as being assisted 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 PP.13 for a summary of the data underlying figure DA.1.

**Trends in Disability Allowances granted**

***Numbers of Disability Allowances granted increased between 2005/2006 and 2008/2009***

This increase (see table DA.2) largely reflects growth in numbers receiving Invalid's Benefits and sickness-related benefits.

Nearly half of the allowances granted between 2006/2007 and 2008/2009 were paid for clients receiving Invalid's Benefits or sickness-related benefits, or for their dependents

Over this period around 43% of allowances granted, assisted clients who were receiving sickness-related benefits or Invalid's Benefits, or were dependents of a caregiver receiving one of those benefits (see table DA.2). Around another 25% of these allowances were granted to people receiving New Zealand Superannuation.

table  
DA.2**New Zealand Superannuation, pension or main benefit paid to clients covered by Disability Allowances granted or paid to their caregivers**

New Zealand Superannuation, pension or main benefit paid when Disability Allowance granted	Disability Allowances granted <sup>1</sup>				
	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number
Unemployment-associated benefits <sup>2</sup>	6,256	5,072	4,133	3,718	5,300
Carer's benefits <sup>3</sup>	10,437	9,692	9,169	9,868	10,726
Sickness-related benefits <sup>4</sup>	19,375	19,180	19,218	19,802	22,645
Invalid's Benefit	11,895	11,663	13,505	14,894	11,609
Widow's Benefit	896	870	671	730	714
Emergency Benefit	1,663	1,767	1,727	1,564	1,350
New Zealand Superannuation	21,360	21,086	20,234	18,979	19,926
Veteran's Pension	916	961	969	1,081	861
No New Zealand Superannuation, pension or main benefit <sup>5</sup>	6,491	7,133	8,053	8,228	8,379
<b>Total</b>	<b>79,289</b>	<b>77,424</b>	<b>77,679</b>	<b>78,864</b>	<b>81,510</b>

## Notes

- 1 Numbers of successful applications for Disability Allowances recorded in SWIFTT during years ended June.
- 2 Comprises Unemployment Benefits, Unemployment Benefits – Hardship, Unemployment Benefits – Training, Unemployment Benefits – Hardship – Training, Unemployment Benefits – Student – Hardship, Independent Youth Benefits paid to clients aged 18 years or over.
- 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 expenditure on Disability Allowances*****Annual expenditure on Disability Allowances increased between 2005/2006 and 2008/2009***

Following a one-off decrease in 2005/2006, this increase (see table DA.3) reflected a return to the historic pattern of increases apparent since 1995/1996.

The one-off decrease in Disability Allowance expenditure in 2005/2006 reflected the transfer of payments for vocational service fees from Disability Allowances to a non-departmental output class.

Increases in annual expenditure on these allowances over the rest of the period between 1995/1996 and 2007/2008 reflected:

- increases in the numbers of recipients
- patterns in the levels of assistance being provided.

Expenditure on Disability Allowances increased more slowly in 1998/1999 and 1999/2000 than in other years (see table DA.3). Ongoing increases in numbers receiving Disability Allowances were partially offset by falling average rates of Disability Allowances paid.

The slower growth between 2004/2005 and 2007/2008 reflected in part the progressive rollout of the Primary Health Care Strategy. This strategy included higher subsidies for doctor visits and prescription charges. This led to some reduction in average rates of Disability Allowances paid.

table  
DA.3

**Annual expenditure on Disability Allowances**

Year ended June	Expenditure on Disability Allowances <sup>1,2,3</sup> (\$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
2008/2009	292

Notes

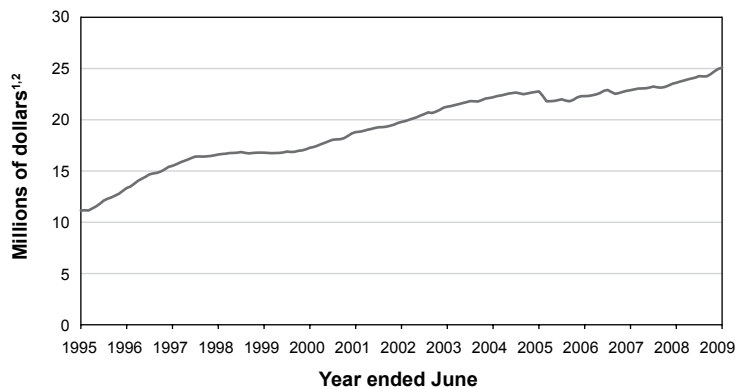
- 1 Expenditure on Disability Allowances in years ended June.
- 2 Expenditure shown is adjusted to payment periods based on a standard 30-day month and smoothed using a two-month moving average. Disability Allowances are not subject to taxation.
- 3 Expenditure data in this table differs from, and should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

**Monthly expenditure on Disability Allowances between 1995/1996 and 2008/2009 shows no marked seasonal changes**

The transfer of payments for vocational services in 2005/2006 shows as a short-term drop in monthly Disability Allowance expenditure in early 2005/2006 (see figure DA.2).

figure  
DA.2

**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

### ***What costs are covered?***

A Child Disability Allowance is a fortnightly payment that can be made to the principal caregiver of a child who:

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

The allowance covers the costs of providing care for the child, rather than the direct costs arising from the child's disability. Disability Allowances are paid to reimburse the direct costs arising from the child's disability. Between 2006 and 2009, around 15% of children covered by a Child Disability Allowance were also covered by a Disability Allowance.

### ***Who can receive a Child Disability Allowance?***

To be eligible for a Child Disability Allowance, the caregiver must be:

- a New Zealand citizen or permanent resident of New Zealand
- ordinarily resident in New Zealand.

In addition, the child covered by an allowance must be:

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

The allowance is not means tested.

### ***Operational changes***

Enhancements to administration processes introduced in July 2004 comprised:

- annual reviews (only required if a client has indicated they have had a change of circumstances)
- reminders that children reaching the age of 16 may be eligible for Invalid's Benefits.

From April 2007, Child Disability Allowance payments were no longer suspended if recipients did not return their annual review form.

### ***Note – statistics reflect numbers of children assisted by allowances***

Statistics in this section reflect numbers of children for whom Child Disability Allowances are paid. This information may differ from other published information showing the number of clients receiving an allowance. Clients may be receiving an allowance covering one or more children.

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## Trends in the number of children assisted by a Child Disability Allowance

### ***Numbers of children assisted by a Child Disability Allowance increased between 2005 and 2009***

This increase (see table CD.1) reflected:

- growing numbers of children for whom allowances were granted
- operational changes in April 2007
- the long-term nature of the conditions these children have.

### ***Over this period, most children assisted by an allowance were aged under 14 years***

Between 2005 and 2009, 83% of children assisted by an allowance were aged under 14 years (see table CD.1). This includes around 23% who were aged under five years.

table  
CD.1

**Ages of children assisted by a Child Disability Allowance**

Age of child at the end of June	Children assisted by a Child Disability Allowance <sup>1</sup>				
	2005 Number	2006 Number	2007 Number	2008 Number	2009 Number
0–4 years	7,581	8,236	8,898	9,865	10,308
5–9 years	11,112	12,201	13,173	14,717	15,481
10–13 years	8,873	9,643	10,420	11,419	12,118
14–17 years	5,378	6,028	6,547	7,052	7,727
18–19 years	106	98	107	132	133
20 years or over	0	1	0	0	0
<b>Total</b>	<b>33,050</b>	<b>36,207</b>	<b>39,145</b>	<b>43,185</b>	<b>45,767</b>

Note

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

**Between 2007 and 2009, a majority of children assisted by allowances were cared for by working families**

Over this period, around 62% of children assisted by a Child Disability Allowance had caregivers who were not receiving New Zealand Superannuation, a pension, or a main benefit (see table CD.2). A further 28% of these children had caregivers who were receiving a carer's benefit.

 table  
CD.2

**Types of pension or main benefit paid to caregivers of children assisted by a Child Disability Allowance**

Type of pension or main benefit paid to caregivers at the end of June	Children assisted by a Child Disability Allowance <sup>1</sup>				
	2005 Number	2006 Number	2007 Number	2008 Number	2009 Number
Unemployment-associated benefits <sup>2</sup>	579	501	348	336	753
Carer's benefits <sup>3</sup>	10,053	10,598	10,950	11,950	13,212
Sickness-related benefits <sup>4</sup>	742	831	865	809	970
Invalid's Benefit	1,740	1,860	1,995	2,219	2,197
Widow's Benefit	171	177	174	174	186
Emergency Benefit	209	232	225	158	140
New Zealand Superannuation	152	164	190	227	278
Veteran's Pension	3	3	3	5	6
No New Zealand Superannuation, pension or main benefit <sup>5</sup>	19,401	21,841	24,395	27,307	28,025
<b>Total</b>	<b>33,050</b>	<b>36,207</b>	<b>39,145</b>	<b>43,185</b>	<b>45,767</b>

Notes

- 1 Numbers of children recorded in SWIFTT as being assisted by a Child Disability Allowance at the end of June.
- 2 Comprises Unemployment Benefits, Unemployment Benefits – Hardship, Unemployment Benefits – Training, Unemployment Benefits – Hardship – Training, Unemployment Benefits – Student – Hardship, Independent Youth Benefits paid to clients aged 18 years or over.
- 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 who were assisted by a Child Disability Allowance**

***Between 2005 and 2009, children under 18 years became more likely to be assisted by a Child Disability Allowance***

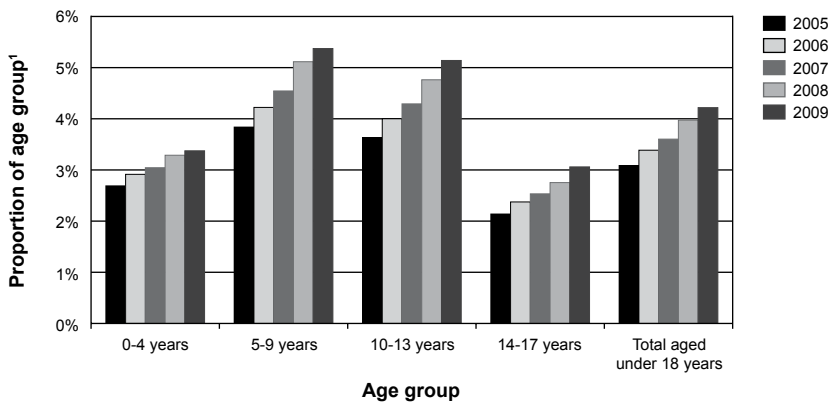
This increase (see figure CD.1) accelerated slightly between 2006 and 2007.

***Over the same period, 5–13 year olds were more likely than other children to be assisted by these allowances***

Between 2005 and 2009, children aged 5–13 years were more likely than other children aged under 18 years to be assisted by these allowances.

**figure  
CD.1**

**Proportion of children aged under 18 years assisted by a Child Disability Allowance, by age**



**Note**

- 1 Proportion shows:
  - a numbers of children in age group recorded in SWIFTT as being assisted 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 PP.14 for a summary of the data underlying figure CD.1.

**Trends in Child Disability Allowances granted**

**The number of allowances granted decreased between 2007/2008 and 2008/2009**

This decrease (see table CD.3) followed three years of increases.

**Between 2006/2007 and 2008/2009, about half of the children for whom allowances were granted were cared for by working families**

Over this period, around 54% of the children for whom an allowance was granted had caregivers receiving no New Zealand Superannuation, pension or main benefit (see table CD.3). A further 34% had caregivers who were receiving carer's benefits.

table  
CD.3

**New Zealand Superannuation, pension or main benefit paid to caregivers of children for whom Child Disability Allowances were granted**

New Zealand Superannuation, pension or main benefit paid when Child Disability Allowance granted	Children for whom Child Disability Allowances were granted <sup>1</sup>				
	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number
Unemployment-associated benefits <sup>2</sup>	294	238	209	164	246
Carer's benefits <sup>3</sup>	3,336	3,515	3,490	3,750	3,735
Sickness-related benefits <sup>4</sup>	269	326	344	366	387
Invalid's Benefit	382	383	461	496	469
Widow's Benefit	45	42	41	46	43
Emergency Benefit	87	88	89	80	62
New Zealand Superannuation	38	41	47	57	65
Veteran's Pension	0	0	0	1	2
No New Zealand Superannuation, pension or main benefit <sup>5</sup>	4,670	5,042	5,338	6,067	5,891
<b>Total</b>	<b>9,121</b>	<b>9,675</b>	<b>10,019</b>	<b>11,027</b>	<b>10,900</b>

Notes

- 1 Numbers of successful applications for Child Disability Allowances recorded in SWIFTT during years ended June.
- 2 Comprises Unemployment Benefits, Unemployment Benefits – Hardship, Unemployment Benefits – Training, Unemployment Benefits – Hardship – Training, Unemployment Benefits – Student – Hardship, Independent Youth Benefits paid to clients aged 18 years or over.
- 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**

**Annual expenditure on Child Disability Allowances increased between 1995/1996 and 2008/2009**

This increase (see table CD.4) largely reflected growth in numbers of children assisted by an allowance.



table  
CD.4

**Annual expenditure on Child Disability Allowances**

Year ended June	Expenditure on Child Disability Allowances <sup>1,2,3</sup> (\$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
2008/2009	96

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.

**Monthly expenditure on these allowances showed a degree of seasonal variation between 2004/2005 and 2008/2009**

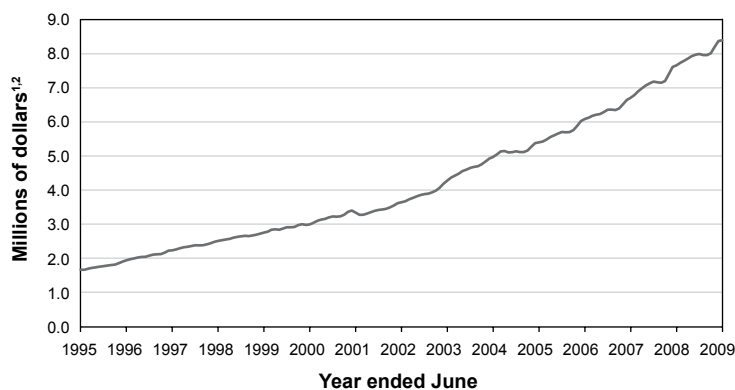
Over this period, growth in monthly expenditure on Child Disability Allowances has flattened in January and February (see figure CD.2).

Growth in monthly expenditure also slowed:

- in late 2000/2001 and early 2001/2002, following a review of overdue medical reviews
- following administrative improvements in July 2004.

figure  
CD.2

**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.

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## Training Incentive Allowance

### ***What costs are covered?***

A Training Incentive Allowance provides non-taxable assistance to people undertaking employment-related training. The training must:

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

The allowance contributes toward fees, course costs and associated costs (eg transport, childcare) faced by trainees and students. It may be paid as:

- a lump sum
- an ongoing entitlement, or
- a combination of the two.

A Training Incentive Allowance may be used to fund education and training included in an individual's Personal Development and Employment (PDE) Plan. PDE plans were introduced on 10 March 2003 for people receiving a carer's benefit or a Widow's Benefit.

### ***Who can receive a Training Incentive Allowance?***

The allowance is available to people who are receiving:

- a carer's benefit
- a Widow's Benefit, or
- an Invalid's Benefit.

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, or
- is an explicitly specified course that is considered to meet quality and relevance criteria but which is not Student Achievement Component funded.

Quality and relevance criteria for courses are specified by the Tertiary Education Commission's quality and relevance standards for student loans or allowances. Courses that meet these criteria but are not Student Achievement Component funded include:

- Training Opportunities courses
- secondary school courses
- university pre-employment courses.

### ***Changes in the administration of Training Incentive Allowance***

In the 1998 calendar year, a number of changes were made to target 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 New Zealand Qualification Authority (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 May 2009, the Training Incentive Allowance was no longer available to clients undertaking qualifications at National Certificate of Educational Achievement (NCEA) level 4.

**Note – Training Incentive Allowance statistics cannot be compared with figures in Statistical Reports prior to 2007**

Since 2007, statistics in the Annual Statistical Report on numbers receiving and granted allowances have:

- been for calendar years (ended 31 December)
- shown clients granted one or more allowances in a calendar year, including one-off payments.

Statistics in Annual Statistical Reports prior to 2007:

- were for fiscal years (ended 30 June)
- showed numbers of clients granted ongoing allowances, but excluded allowances received as a one-off payment.

These changes were made because:

- entitlement to an allowance is based on calendar years
- policies and processes are updated on a calendar year basis.

The changes better ensure that statistics on use of allowances clearly reflects the impact of any changes in policies or processes.

**Trends in the numbers of clients receiving Training Incentive Allowances****Numbers receiving Training Incentive Allowances decreased**

The number of clients receiving one or more allowances in a calendar year decreased between 2004 and 2008 (see table TI.1). This reflected the impact of:

- the policy changes introduced in 2007
- changes in numbers receiving carer's benefits and Widow's Benefits.

**Most recipients of these allowances were receiving carer's benefits**

Between 2004 and 2008, the proportion of these clients who were receiving a carer's benefit decreased (from 86% to 80%) (see table TI.1). There was a corresponding increase in the proportion receiving an Invalid's Benefit (from 13% to 19%). These changes reflected changes in numbers receiving main benefits.

table  
TI.1**Type of main benefit received by clients granted one or more Training Incentive Allowances**

Type of main benefit received when first Training Incentive Allowance payment in the year was granted	Clients granted Training Incentive Allowances				
	Year ended December 2004 Number	Year ended December 2005 Number	Year ended December 2006 Number	Year ended December 2007 Number	Year ended December 2008 Number
Carer's benefits <sup>2</sup>	18,650	16,046	13,635	10,695	10,120
Invalid's Benefit	2,740	2,870	2,635	2,261	2,435
Widow's Benefit	369	299	253	191	157
Other main benefits	25	0	0	0	0
<b>Total</b>	<b>21,784</b>	<b>19,215</b>	<b>16,523</b>	<b>13,147</b>	<b>12,712</b>

## Notes

- 1 Numbers of clients with one or more successful applications for Training Incentive Allowances 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**

***Annual expenditure on Training Incentive Allowance flattened in the 2008 calendar year after decreasing since 2004***

This pattern (see table TI.2) reflected a combination of:

- changes in numbers of allowances granted
- changes in the rate at which they are paid.

table  
TI.2

**Annual expenditure on Training Incentive Allowances**

Year ended December	Expenditure on Training Incentive Allowances <sup>1,2,3</sup> (\$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
2008	27

Notes

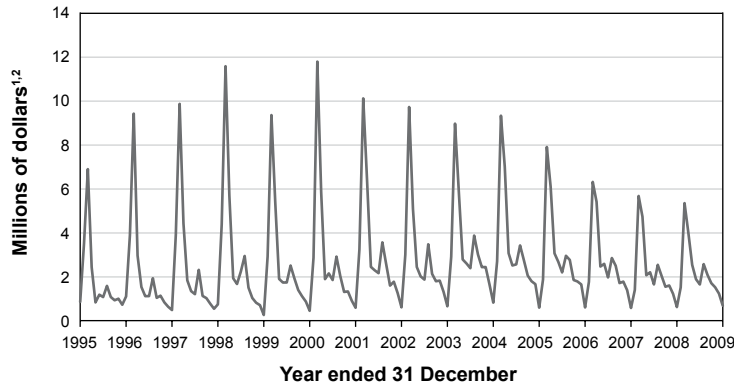
- 1 Expenditure on Training Incentive Allowances in years ended December. Please note that reports prior to that for the year ended June 2007 showed expenditure on Training Incentive Allowances in years ended June.
- 2 Expenditure data shown has not been smoothed. Training Incentive Allowances are not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

***Monthly expenditure on Training Incentive Allowances showed a strong seasonal pattern***

Peaks at the beginning of each calendar year (see figure TI.1) arose because most allowance expenditure occurred when lump sum payments were made at the beginning of the academic year to cover tuition fees.

figure  
T1.1

**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.
- 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.

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## **Residential Care Subsidy or Residential Support Subsidy**

### ***What are these subsidies?***

Residential Care Subsidies assist with the costs of residential care for older people.

Residential Support Subsidies assist with the costs of contracted disability support and residential services for younger people. These services are for people with physical, intellectual or psychiatric disabilities (including those undertaking drug and alcohol rehabilitation).

These subsidies are paid through District Health Boards or the Ministry of Health directly to the providers of care.

In this report, clients are said to be “receiving” a subsidy if a subsidy is paid to a care provider on their behalf.

### ***Who can receive these subsidies?***

The Residential Care Subsidy provides funding for people who:

- have been needs assessed by a District Health Board as having a health condition that requires long-term or life-long residential care in a hospital or rest home
- are receiving care from a service provider contracted by the District Health Board
- are aged 50-64 years and married or are single with dependent children
- or
- are aged 65 or over, or aged 50–64 years and single with no dependent children, and have assets assessed as being at or below the relevant threshold.



***Income and asset tests***

MSD's Senior Services is responsible for assessing a person's assets and income to determine whether or not they are financially eligible for the Residential Care Subsidy.

The person does not have to be receiving New Zealand Superannuation, a pension or a main benefit to have a financial means assessment.

Clients may be required to contribute to the costs of the care or services funded by the subsidy. A client must contribute a portion of any New Zealand Superannuation, pension or main benefit they receive, while retaining a personal allowance from those payments. They may also be required to contribute an amount from other income (less some exemptions) if applicable.

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.

The Residential Support Subsidy is not means tested.

If the client is agreeable, Senior Services is responsible for assigning the benefit contribution directly to the client's provider.

***Legislative amendments***

On 1 July 2005, the Social Security (Long-term Residential Care) Amendment Act 2004:

- significantly increased the asset thresholds
- introduced an exemption for income which is derived from assets.

**Trends in the number of MSD clients receiving a Residential Care Subsidy or Residential Support Subsidy*****Note – statistics are restricted to Work and Income clients***

Please note that information in this section is restricted to clients who are in receipt of New Zealand Superannuation, a pension or a main benefit through MSD and who:

- have been means assessed by Senior Services as being financially eligible for the Residential Care Subsidy, or
- are receiving residential disability support or are in a residential service and receiving a Residential Support Subsidy.

Information in this section should not be read as including all individuals eligible for, or taking up, these subsidies. People who are not Work and Income clients may receive these subsidies following assessment by the District Health Board or the health provider.

***Numbers of MSD clients receiving Residential Care Subsidies or Residential Support Subsidies were stable between 2006 and 2009***

This followed an increase between 2005 and 2006 (see table RS.1).

**Over this period, two-thirds of MSD clients receiving a subsidy were receiving New Zealand Superannuation**

Of the MSD clients receiving New Zealand Superannuation, a pension or a main benefit at the end of June 2009:

- approximately 18,400 were financially eligible for the Residential Care Subsidy
- approximately 8,000 were accessing a Residential Support Subsidy.

As the majority of Residential Care Subsidy recipients are 65+ and receiving New Zealand Superannuation or Veteran's Pensions, Residential Care Subsidies will always be proportionately higher than Residential Support Subsidies.

Of the MSD clients receiving a subsidy between 2006 and 2009:

- around 66% were receiving New Zealand Superannuation (see table RS.1)
- around 29% were receiving an Invalid's Benefit (see table RS.1)
- around 51% were aged 80 years or over (see table RS.2).

table  
RS.1

**Types of pension or main benefit paid to MSD clients receiving 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 receiving a Residential Care Subsidy or Residential Support Subsidy <sup>1</sup>				
	2005 Number	2006 Number	2007 Number	2008 Number	2009 Number
Unemployment-associated benefits <sup>2</sup>	14	5	2	5	3
Carer's benefits <sup>3</sup>	14	14	20	14	15
Sickness-related benefits <sup>4</sup>	519	522	434	434	502
Invalid's Benefit	7,706	7,664	7,706	7,811	7,909
Widow's Benefit	16	15	10	11	15
Emergency Benefit	221	258	271	254	270
New Zealand Superannuation	14,119	17,941	17,701	17,799	17,873
Veteran's Pension	306	450	464	522	586
No New Zealand Superannuation, pension or main benefit <sup>5</sup>	56	86	88	97	107
<b>Total</b>	<b>22,971</b>	<b>26,955</b>	<b>26,696</b>	<b>26,947</b>	<b>27,280</b>

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, Unemployment Benefits – Hardship, Unemployment Benefits – Training, Unemployment Benefits – Hardship – Training, Unemployment Benefits – Student – Hardship, Independent Youth Benefits paid to clients aged 18 years or over.
- 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  
RS.2

**Trends in the ages of MSD clients receiving a Residential Care Subsidy or a Residential Support Subsidy**

Age of client at the end of June	Work and Income clients receiving a Residential Care Subsidy or a Residential Support Subsidy <sup>1</sup>				
	2005 Number	2006 Number	2007 Number	2008 Number	2009 Number
Under 18 years	70	79	62	66	48
18–19 years	142	155	161	164	161
20–24 years	583	550	516	526	597
25–29 years	656	640	628	630	665
30–34 years	887	863	763	730	699
35–39 years	1,050	992	992	998	933
40–44 years	1,175	1,132	1,084	1,055	1,024
45–49 years	1,036	1,118	1,167	1,173	1,197
50–54 years	929	932	963	1,006	1,044
55–59 years	815	835	889	910	962
60–64 years	730	753	787	845	910
65–69 years	926	991	1,038	1,050	1,085
70–74 years	1,461	1,564	1,505	1,538	1,600
75–79 years	2,297	2,685	2,593	2,601	2,561
80 years or over	10,214	13,666	13,548	13,655	13,794
<b>Total</b>	<b>22,971</b>	<b>26,955</b>	<b>26,696</b>	<b>26,947</b>	<b>27,280</b>

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 MSD clients receiving a Residential Care Subsidy**

*Between 2006 and 2009, people aged 65 or over became slightly less likely to be MSD clients who are receiving a Residential Care Subsidy*

This decrease (see figure RS.1) reflected:

- growth in the population aged 65 years or over, due to population ageing
- people aged 80 years or over being the most common age group using these subsidies.

Growth in this group from population ageing was strongest for those aged 65–74 years.

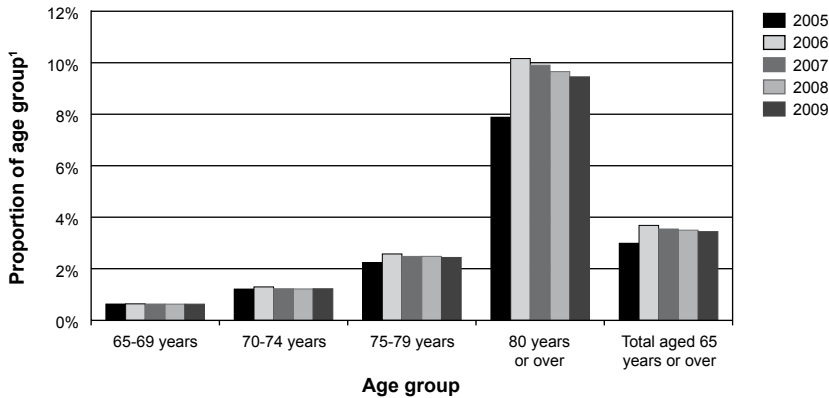
This followed a significant increase between 2005 and 2006 as a result of:

- the increased asset threshold for eligibility for these subsidies introduced on 1 July 2005
- people aged 80 years or over being most common age group using these subsidies.



figure  
RS.1

**Proportions of people aged 65 years or over who are MSD clients receiving a Residential Care Subsidy, 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 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 PP.15 for a summary of the data underlying figure RS.1.

**Trends in MSD clients who are found to be financially eligible for Residential Care Subsidies or who take up Residential Support Subsidies**

**Note – a successful application for Residential Care Subsidy is when clients are found to be financially eligible to receive a subsidy**

Clients have their medical need for care assessed before the assessment of their financial eligibility for a Residential Care Subsidy. Some clients may have been assessed for medical needs, and entered care, in the year prior to the assessment of their financial eligibility for one of these subsidies.

A successful application for a Residential Support Subsidy means that the subsidy has been taken up.

Most of the subsidies successfully applied for each year are Residential Care Subsidies.

**Numbers of Work and Income clients found to be financially eligible for subsidies increased between 2006/2007 and 2008/2009**

The annual number of MSD clients found to be financially eligible for Residential Care Subsidies or taking up Residential Support Subsidies increased over this period (see table RS.3).

**Over this period, more than half of the clients successfully applying for subsidies were receiving New Zealand Superannuation**

This pattern (see table RS.3) reflects the predominance of Residential Care Subsidies among the subsidies applied for each year. A large majority of those applying for Residential Care Subsidies are receiving New Zealand Superannuation.

Fluctuations between 2006/2007 and 2008/2009 in the number of Invalid's Benefit recipients successfully applying for a subsidy (see table RS.3) reflect, in part, patterns over the same period in numbers being granted Invalid's Benefits.

**table  
RS.3**

**Types of pension or main benefit paid to MSD 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 <sup>1</sup>				
	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number
Unemployment-associated benefits <sup>2</sup>	28	16	10	18	15
Carer's benefits <sup>3</sup>	99	103	90	97	107
Sickness-related benefits <sup>4</sup>	1,482	1,430	1,559	1,773	2,078
Invalid's Benefit	1,885	1,665	1,967	3,603	2,615
Widow's Benefit	8	6	2	6	7
Emergency Benefit	124	119	117	85	145
New Zealand Superannuation	4,683	9,627	5,932	6,673	8,059
Veteran's Pension	150	310	238	305	356
No New Zealand Superannuation, pension or main benefit <sup>5</sup>	32	60	50	52	62
<b>Total</b>	<b>8,491</b>	<b>13,336</b>	<b>9,965</b>	<b>12,612</b>	<b>13,444</b>

Notes

- 1 Numbers 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, Unemployment Benefits – Hardship, Unemployment Benefits – Training, Unemployment Benefits – Hardship – Training, Unemployment Benefits – Student – Hardship, Independent Youth Benefits paid to clients aged 18 years or over.
- 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.

## 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.

Those who may be eligible for this assistance include:

- people earning a low income from employment
- people receiving a pension or main benefit from Work and Income.

### ***What kinds of hardship assistance are available?***

Hardship assistance may be paid as:

- an ongoing payment to people whose outgoings exceed their income on an ongoing basis
- ReStart assistance (paid to people who have been made redundant), or
- one-off payments to meet specific essential expenses.

Ongoing hardship assistance is provided as Temporary Additional Support or a Special Benefit.

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.

### ***Note – numbers receiving benefits and other financial assistance affect numbers receiving hardship assistance***

Trends in numbers receiving 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. This has occurred as levels of assistance available for childcare costs (eg Childcare Subsidy, OSCAR Subsidy) have risen.

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## Temporary Additional Support and Special Benefit

### *Which costs are covered?*

Temporary Additional Support is used as a last resort. It is used to help clients meet living costs which:

- are regular and essential
- cannot be met from the client's income or from other resources.

This assistance is available to cover essential and unavoidable ongoing regular costs.

These costs may include:

- 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
  - clients or their families are not eligible for the Disability Allowance.

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

This assistance is available for a maximum of 13 weeks, but may be approved for a shorter period. Clients with an ongoing deficiency of income may reapply after receiving it for 13 weeks.

Temporary Additional Support was introduced from 1 April 2006.

### *Who can receive Temporary Additional Support?*

To receive Temporary Additional Support, clients must:

- be aged 16 years or over
- meet asset and residency tests
- ensure that they are receiving all other assistance available to them
- show that they face a deficiency of income after having taken reasonable steps to reduce their costs and increase their income.

---

## 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 either:

- granted before 1 April 2006, or
- granted after 1 April 2006 to maintain Special Benefit payments. This was done when clients continued to receive a Special Benefit after having had their entitlements to assistance reviewed.

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

#### *The numbers receiving Temporary Additional Support or Special Benefits increased between 2007 and 2009*

This increase (see table TS.1) reflected a combination of:

- increased numbers receiving main benefits between 2008 and 2009
- increased use of Temporary Additional Support by users of carer's benefits, sickness-related benefits and Invalid's Benefits.

This followed decreases over the previous two years.

#### *Since its implementation in 2006, Temporary Additional Support has become the dominant form of ongoing hardship assistance paid*

Temporary Additional Support accounted for 76% of the combined assistance being paid in 2009 (see table TS.1). This compared with 58% in 2008 and 9% in 2006. This increase reflected the ongoing transition towards delivering hardship assistance to most clients through Temporary Additional Support rather than through Special Benefits.

table  
TS.1

#### Numbers 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 <sup>1</sup>				
	2005 Number	2006 Number	2007 Number	2008 Number	2009 Number
Temporary Additional Support	0	4,555	14,834	24,466	44,301
Special Benefits <sup>2</sup>	53,255	44,778	26,085	18,048	13,715
<b>Total</b>	<b>53,255</b>	<b>49,333</b>	<b>40,919</b>	<b>42,514</b>	<b>58,016</b>

#### Notes

- 1 Numbers 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**

***Between 2007 and 2009, people aged 18 years or over became more likely to be receiving a Special Benefit or Temporary Additional Support***

This increase (see figure TS.1) reflected increased use of main benefits, particularly carer’s benefits, sickness-related benefits and Invalid’s Benefits. These increases in turn reflected in part deteriorating economic conditions over 2008 and 2009.

This increase followed a decrease between 2005 and 2007.

The decrease between 2005 and 2007 reflected:

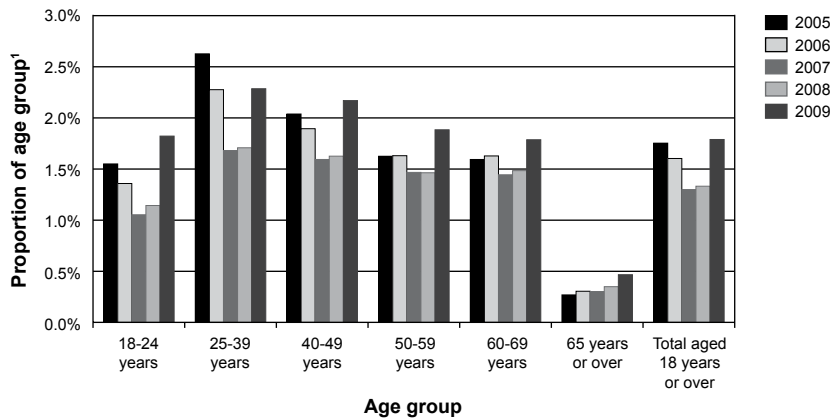
- decreased numbers receiving carer’s benefits
- increases in assistance with childcare costs available under Working for Families.

***Between 2005 and 2009, use of Temporary Additional Support or Special Benefits decreased with age among those aged 25 years or over***

People aged 65 years or over were much less likely than younger people to be receiving Temporary Additional Support or a Special Benefit over this period (see figure TS.1).

**figure  
TS.1**

**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 PP.16 for a summary of the data underlying figure TS.1.

## Trends in the number of clients granted Temporary Additional Support or Special Benefits

### *The combined number of clients granted Temporary Additional Support or Special Benefits increased steeply between 2006/2007 and 2008/2009*

This increase (see table TS.2) reflected a combination of:

- increased numbers receiving main benefits, reflecting at least in part the impact of economic recession
- increasing hardship among low-income working families
- increased use of Temporary Additional Support among clients receiving carer's benefits, sickness-related benefits and Invalid's Benefits.

### *A very large majority of the ongoing hardship assistance granted between 2007/2008 and 2008/2009 was Temporary Additional Support*

This pattern (see table TS.2) reflected restricted eligibility for Special Benefits from 1 April 2006.

table  
TS.2

### Numbers of clients granted Temporary Additional Support or a Special Benefit

Type of hardship assistance granted	Clients granted Temporary Additional Support or a Special Benefit <sup>1</sup>				
	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number
Temporary Additional Support	0	5,756	64,210	113,365	199,244
Special Benefits <sup>2</sup>	72,690	57,146	7,569	3,911	2,140
<b>Total</b>	<b>72,690</b>	<b>62,902</b>	<b>71,779</b>	<b>117,276</b>	<b>201,384</b>

#### Notes

- 1 Numbers 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

### *Combined expenditure on Temporary Additional Support and Special Benefits increased between 2007/2008 and 2008/2009*

This increase (see table TS.3) reflected a combination of:

- changes in the use of main benefits (particularly carer's benefits)
- the impact of increased assistance available to low-income families under Working for Families
- the impact (from 2008/2009) of changes in economic conditions on low-income working families.

This increase followed three years of decreases.

Changes in annual expenditure on Special Benefits between 1995/1996 and 2004/2005 reflected changes in:

- the numbers of people receiving a Special Benefit
- the rates at which Special Benefits were paid.

table  
TS.3**Combined annual expenditure on Temporary Additional Support and Special Benefits**

Year ended June	Expenditure on Temporary Additional Support and Special Benefits <sup>1,2,3</sup> (\$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
2008/2009	151

## 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 showed little seasonal variation**

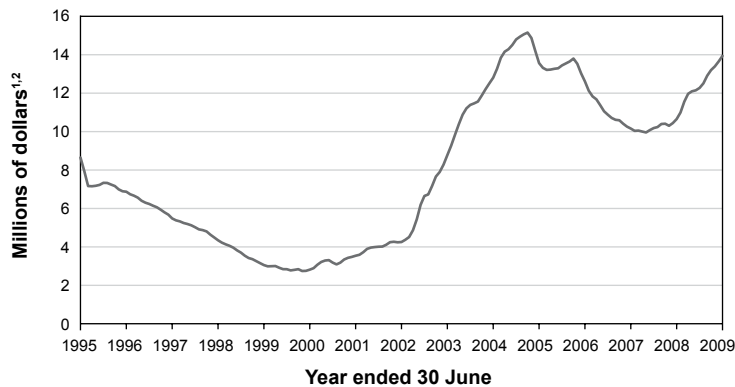
This expenditure (see figure TS.2) tended to follow patterns in:

- the numbers of people receiving this assistance
- the rate at which assistance is paid.

These patterns in turn reflected factors including:

- the numbers of clients receiving carer's benefits
- increased assistance to low-income families available through Working for Families
- the replacement of new Special Benefits with Temporary Additional Support from April 2006.



figure  
TS.2**Combined monthly expenditure on 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*****Numbers receiving Special Benefits decreased between 2005 and 2009***

Decreases between 2006 and 2009 (see table TS.4) largely reflected the replacement of Special Benefits by Temporary Additional Assistance. Other factors contributing to this decrease were:

- the increased income for low-income households available from 1 October 2004 under the Working for Families package
- decreases between 2005 and 2008 in numbers receiving unemployment-associated benefits and carer's benefits.

Recipients of unemployment-associated benefits and carer's benefits were historically most likely to receive Special Benefits.

All Special Benefits paid after 1 April 2006 were either:

- granted before that date, or
- granted to people who had received or applied for one immediately prior to that date.

***Between 2005 and 2009, clients receiving Special Benefits became more likely to be paid an Invalid's Benefit***

Forty-four percent of Special Benefit recipients in 2009 were receiving an Invalid's Benefit (see table TS.4). This compares with 21% in 2005.

Over the same period, the proportion of Special Benefit recipients being paid:

- unemployment-associated benefits decreased from 8% to 1%
- carer's benefits decreased from 46% to 36%.

These changes reflected:

- patterns in numbers receiving main benefits
- the requirement that Special Benefits have been received continuously since before April 2006.

Use of Special Benefits is increasingly dominated by clients receiving benefits such as Invalid's Benefits, which are most likely to be paid continuously over a long period.

table  
TS.4**New Zealand Superannuation, pension or main benefit paid to clients receiving a Special Benefit**

New Zealand Superannuation, pension or main benefit paid at the end of June	Clients receiving a Special Benefit <sup>1</sup>				
	2005 Number	2006 Number	2007 Number	2008 Number	2009 Number
Unemployment-associated benefits <sup>2</sup>	4,015	2,417	666	265	194
Carer's benefits <sup>3</sup>	24,600	20,160	11,116	7,075	4,968
Sickness-related benefits <sup>4</sup>	7,736	6,496	3,270	1,839	1,332
Invalid's Benefit	11,150	10,969	8,328	7,101	5,997
Widow's Benefit	748	651	417	285	210
Emergency Benefit	839	765	487	251	142
New Zealand Superannuation	1,019	1,127	933	776	620
Veteran's Pension	1	0	0	0	0
No New Zealand Superannuation, pension or main benefit <sup>5</sup>	3,147	2,193	868	456	252
<b>Total</b>	<b>53,255</b>	<b>44,778</b>	<b>26,085</b>	<b>18,048</b>	<b>13,715</b>

## Notes

- 1 Numbers of clients recorded in SWIFTT as receiving a Special Benefit at the end of June.
- 2 Comprises Unemployment Benefits, Unemployment Benefits – Hardship, Unemployment Benefits – Training, Unemployment Benefits – Hardship – Training, Unemployment Benefits – Student – Hardship, Independent Youth Benefits paid to clients aged 18 years or over.
- 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.

**Trends in Special Benefits granted****Note – grants of Special Benefits since 1 April 2006 continued benefits paid before April 2006**

Grants of Special Benefits since 1 April 2006 were administrative transactions only. These maintained Special Benefit payments to clients who continued to receive a Special Benefit after having their entitlements to assistance reviewed.

**Around a fifth of clients granted Special Benefits between 2006/2007 and 2008/2009 were working people**

Nineteen percent of clients granted a Special Benefit in 2008/2009 were not receiving any pension or main benefit (see table TS.5). This compared with 26% in 2006/2007.

Over this period, around 20% of Special Benefit recipients were receiving a carer's benefit.

table  
TS.5**New Zealand Superannuation, pension or main benefit paid to clients granted a Special Benefit**

New Zealand Superannuation, pension or main benefit paid when Special Benefit granted	Special Benefits granted <sup>1</sup>				
	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number
Unemployment-associated benefits <sup>2</sup>	13,521	10,549	1,200	412	248
Carer's benefits <sup>3</sup>	26,203	19,137	1,545	789	450
Sickness-related benefits <sup>4</sup>	13,254	10,939	1,121	501	329
Invalid's Benefit	7,725	6,224	1,178	974	471
Widow's Benefit	634	488	56	28	14
Emergency Benefit	1,356	1,102	157	44	22
New Zealand Superannuation	905	887	341	242	196
Veteran's Pension	2	4	0	0	0
No New Zealand Superannuation, pension or main benefit <sup>5</sup>	9,090	7,816	1,971	921	410
<b>Total</b>	<b>72,690</b>	<b>57,146</b>	<b>7,569</b>	<b>3,911</b>	<b>2,140</b>

## Notes

- 1 Numbers of successful applications for Special Benefits recorded in SWIFTT during years ended June.
- 2 Comprises Unemployment Benefits, Unemployment Benefits – Hardship, Unemployment Benefits – Training, Unemployment Benefits – Hardship – Training, Unemployment Benefits – Student – Hardship, Independent Youth Benefits paid to clients aged 18 years or over.
- 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.

**Trends in the number of clients receiving Temporary Additional Support*****Between 2008 and 2009, around two in five clients receiving Temporary Additional Support were receiving carer's benefits***

Thirty-seven percent of clients receiving Temporary Additional Support in 2009 were receiving a carer's benefit (see table TS.6). This was down slightly from 41% in 2008. The proportion receiving Invalid's Benefits also decreased slightly (from 17% to 14%).

Over the same period:

- the proportion of these clients who were being paid an unemployment-associated benefit increased (from 7% to 16%)
- around 21% of these clients were being paid a sickness-related benefit.

table  
TS.6**New Zealand Superannuation, pension or main benefit paid to clients receiving Temporary Additional Support**

New Zealand Superannuation, pension or main benefit paid at the end of June	Clients receiving Temporary Additional Support <sup>1</sup>		
	2007 Number	2008 Number	2009 Number
Unemployment-associated benefits <sup>2</sup>	1,329	1,815	7,211
Carer's benefits <sup>3</sup>	5,791	10,106	16,419
Sickness-related benefits <sup>4</sup>	3,837	5,472	9,119
Invalid's Benefit	2,259	4,182	6,342
Widow's Benefit	149	287	474
Emergency Benefit	246	318	564
New Zealand Superannuation	312	751	1,506
Veteran's Pension	1	0	7
No New Zealand Superannuation, pension or main benefit <sup>5</sup>	910	1,535	2,659
<b>Total</b>	<b>14,834</b>	<b>24,466</b>	<b>44,301</b>

## Notes

- 1 Numbers of clients recorded in SWIFTT as receiving Temporary Additional Support at the end of June.
- 2 Comprises Unemployment Benefits, Unemployment Benefits – Hardship, Unemployment Benefits – Training, Unemployment Benefits – Hardship – Training, Unemployment Benefits – Student – Hardship, 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.

**Trends in the number of clients granted Temporary Additional Support*****Numbers granted Temporary Additional Support increased between 2006/2007 and 2008/2009***

The increase accelerated over the last year (see table TS.7).

This reflected a combination of:

- the role of Temporary Additional Support as the replacement for Special Benefit for most clients
- the restricted timeframe for which Temporary Additional Support is paid before requiring review
- increasing hardship for low-income people as a result of deteriorating economic conditions.

Deteriorating economic conditions impacted on recipients of pensions and main benefits as well as on low-income working families.

***Between 2006/2007 and 2008/2009, around a third of clients granted Temporary Additional Support were receiving carer's benefits***

The proportion receiving sickness-related benefits decreased slightly over this period (from 25% to 22%) (see table TS.7).

table  
TS.7**New Zealand Superannuation, pension or main benefit paid to clients granted Temporary Additional Support**

New Zealand Superannuation, pension or main benefit paid when Temporary Additional Support granted	Temporary Additional Support granted <sup>1</sup>		
	2006/2007 Number	2007/2008 Number	2008/2009 Number
Unemployment-associated benefits <sup>2</sup>	9,617	12,263	30,641
Carer's benefits <sup>3</sup>	22,490	41,282	69,675
Sickness-related benefits <sup>4</sup>	16,092	27,634	43,810
Invalid's Benefit	7,437	16,524	27,392
Widow's Benefit	610	1,124	1,966
Emergency Benefit	1,230	1,860	3,028
New Zealand Superannuation	1,166	2,813	6,279
Veteran's Pension	3	3	21
No New Zealand Superannuation, pension or main benefit <sup>5</sup>	5,565	9,862	16,432
<b>Total</b>	<b>64,210</b>	<b>113,365</b>	<b>199,244</b>

## Notes

- 1 Numbers of successful applications for Temporary Additional Support recorded in SWIFTT during years ended June.
- 2 Comprises Unemployment Benefits, Unemployment Benefits – Hardship, Unemployment Benefits – Training, Unemployment Benefits – Hardship – Training, Unemployment Benefits – Student – Hardship, Independent Youth Benefits paid to clients aged 18 years or over.
- 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.

**Trends in expenditure on Temporary Additional Support*****Expenditure on Temporary Additional Support rose between 2006/2007 and 2008/2009***

This increase (see table TS.8) reflected 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  
TS.8**Annual expenditure on Temporary Additional Support**

Year ended June	Expenditure on Temporary Additional Support <sup>1,2,3</sup> (\$m)
2005/2006 <sup>4</sup>	1
2006/2007	25
2007/2008	52
2008/2009	95

## 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.

## The ReStart Package

### *What is the ReStart Package?*

ReStart offers short-term financial assistance to clients who have recently been made redundant from a full-time job. It was introduced in November 2008.

### *What costs are covered?*

ReStart consists of three components:

- ReCover – assistance for families with children if the family is no longer eligible to receive an in-work tax credit because of the client's redundancy
- RePlace – assistance with accommodation costs in addition to the maximum Accommodation Supplement available
- ReConnect – assistance for the client to re-enter full-time work.

Up to an extra \$100 per week is available under RePlace, depending on the client's housing costs and other circumstances. ReCover is paid based on the number of children dependent on the client. Weekly rates of ReCover assistance available from 1 April 2009 are shown in table RP.1 below.

table  
RP.1

### **Weekly payment rates for ReCover assistance (available from 1 April 2009)**

Number of dependent children <sup>1</sup>	Weekly rate <sup>2</sup>
One to three children	\$60.00
Four children	\$75.00
Five children	\$90.00
Six or more children	\$105.00

#### Notes

- 1 Number of children in the care of the client.
- 2 Rates shown are those set by regulation and available from 1 April 2009. The amounts shown are net of tax.

### *Who can receive ReStart assistance?*

To receive ReStart assistance, clients must:

- be seeking full-time work
- have been made redundant from full-time work after 6 November 2008
- have worked full-time for six months or more prior to being made redundant.

To receive RePlace, clients must also already be receiving the maximum level of Accommodation Supplement available.

### *Income and residency tests, and pre-benefit requirements*

Income tests and residency tests apply to ReCover and RePlace.

There are no pre-benefit requirements for ReStart assistance.

### *Note – numbers receiving ReCover and RePlace must be treated separately*

Some clients (those with dependent children and high accommodation costs) may be receiving both of these components of the ReStart package. Numbers receiving each component should not be added to obtain a total number of clients receiving ReStart. Doing so would lead to counting some clients twice.

**Numbers of clients receiving components of the ReStart package**

At the end of June 2009, 1,134 clients were receiving RePlace, and 707 were receiving ReCover.

**A majority of those receiving ReCover and RePlace were receiving unemployment-associated benefits or carer's benefits**

Of the clients receiving RePlace, 65% were receiving an unemployment-associated benefit and 12% were receiving a carer's benefit. Fifty-two percent of these clients were aged 40–59 years, and 38% were aged 25–39 years.

Of the clients receiving ReCover, 57% were receiving an unemployment-associated benefit and 27% were receiving a carer's benefit. Fifty percent of these clients were aged 25–39 years and 35% were aged 40–49 years.

**Expenditure on the ReStart package**

Between December 2008 and June 2009, a combined total of \$3 million has been spent on RePlace and ReCover assistance.

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**Hardship assistance available as lump sums**
**Hardship assistance available as lump sums**

The hardship assistance available as lump sums consists of:

- Special Needs Grants
- Recoverable Assistance Programme payments
- benefit advances.

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**Special Needs Grants**
**What costs are covered?**

Special Needs Grants are one-off payments made to those who have an immediate or emergency need and who have no other way of paying to meet that need. Most Special Needs Grants are non-recoverable. Recoverable Special Needs Grants have to be repaid to Work and Income.

**Who can receive this assistance?**

Special Needs Grants are available both to people who are receiving main benefits and to people who are not.

As well as lump sums to meet a range of specific expenses, Special Needs Grants include re-establishment grants targeted at particular groups of clients. Clients who may be eligible for re-establishment grants include:

- released prisoners
- refugees
- sole parents who have been victims of domestic violence.

**Income and residency tests, and pre-benefit requirements**

Residency, income and cash asset tests apply to Special Needs Grants. Special Needs Grants do not have pre-benefit requirements.

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## Recoverable Assistance Programme

### **What costs are covered?**

This programme was introduced in 1996 to replace most recoverable Special Needs Grants for people who were not receiving benefits.

This programme provides non-taxable, interest-free recoverable financial assistance to non-beneficiaries. The aim is 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.

### **Who may receive payments under the Recoverable Assistance Programme?**

Any low-income earner may apply for assistance with immediate and essential expenses under the Recoverable Assistance Programme.

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.

### **Income and residency tests, and pre-benefit requirements**

In order to receive a payment under this programme, 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, and the maximum amounts available, vary according to the age and circumstances of the applicant (see table LS.1). In exceptional circumstances, clients may be granted a payment if their cash assets exceed the limit shown in this table.

table  
LS.1

**Income limits, cash asset limits and maximum payments for the Recoverable Assistance Programme (applicable from 1 April 2009)**

Client category	Cash asset limit <sup>1</sup>	Income limit <sup>1,2</sup>	Maximum payment <sup>1,2</sup>
Single person 16–17 years	\$952.21	\$22,616.88	\$1,155.48
Single person 18 years or over	\$952.21	\$25,933.76	\$1,427.82
Married couple with or without children	\$1,586.63	\$37,754.08	\$2,379.72
Sole parent with one child	\$1,586.63	\$31,541.64	\$1,875.72
Sole parent with two or more children	\$1,586.63	\$33,230.60	\$1,875.72

#### Notes

- 1 Asset limits, income limits and maximum payments applicable from 1 April 2009.
- 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 2009 are shown in table LS.2.



table  
LS.2**Maximum payments from the Recoverable Assistance Programme for specific purposes (applicable from 1 April 2009)**

Payment purpose	Status <sup>1</sup>	Maximum Payment <sup>2</sup>
Ambulance subscription fees		\$200.00
Attendance at funerals and tangihanga		\$200.00
Beds, chairs and tables		\$200.00
Bonds and rent		\$600.00
Car repairs		\$400.00
Car seats and safety helmets		\$200.00
Clothing	Single client without children	\$150.00
	Married without children	\$300.00
	Single or married with children	\$400.00
Dentures, glasses, contact lenses and hearing aids		\$1,000.00
Driver licences – renewals	Client aged under 75 years	\$44.30
	Client aged 75–79 years	\$18.30
	Client aged 80 years or over	\$59.30
Driver licences – new	Learner licence	\$79.00
	Restricted licence	\$88.20
	Full licence	\$115.10
Electricity, gas or water		\$200.00
Fire, loss or burglary		\$1,000.00
Other emergency payments		\$200.00
School costs		\$200.00
School stationery		\$200.00
School uniforms (for each dependent child)		\$300.00
Telephone installation		\$200.00
Tenancy tribunal fees		\$20.00
Travel for stranded persons		\$200.00
Washing machines and fridges		\$400.00

## Notes

- 1 "Married" includes people who are married, living as married or in a civil union.
- 2 Maximum payments shown are applicable from 1 April 2009.

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## Benefit advances

### ***What costs are covered?***

Advance payments of main benefits enable benefit recipients to meet one-off needs which:

- are immediate and essential
- cannot be met from the client's 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 have been reclassified as benefit advances.

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## Trends in the use of lump-sum hardship assistance

### ***Numbers of lump-sum hardship assistance payments increased between 2006/2007 and 2008/2009***

This increase (see table LS.3) was driven by:

- an increase in the use of non-recoverable Special Needs Grants
- a smaller increase in numbers of benefit advances.

These changes reflected:

- increased numbers receiving benefits such as Invalid's Benefits and carer's benefits
- increases in numbers receiving other main benefits over 2008/2009, reflecting the impact of deteriorating economic conditions.

Recipients of carer's benefits and Invalid's Benefits have historically been heavy users of lump-sum hardship assistance.

This increase followed decreases between 2004/2005 and 2006/2007.

### ***Around half of the lump-sum hardship payments in 2007/2008 and 2008/2009 were non-recoverable Special Needs Grants***

Fifty-four percent of lump-sum hardship assistance payments provided in 2008/2009 were non-recoverable Special Needs Grants (see table LS.3). This compared with 51% in 2006/2007. There was a corresponding fall in the proportion that were benefit advances (which are recoverable).

table  
LS.3**Types of lump-sum hardship assistance payments made**

Type of lump-sum hardship assistance	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number
<b>Non-recoverable lump-sum hardship assistance<sup>1</sup></b>					
Special Needs Grants (non-recoverable)	384,880	376,537	346,177	362,505	526,873
<b>Recoverable lump-sum hardship assistance<sup>1</sup></b>					
Special Needs Grants (recoverable)	16,625	16,854	17,102	19,982	35,724
Recoverable Assistance Programme	21,022	23,347	24,495	28,315	34,862
Benefit advances	339,349	327,147	304,448	299,552	371,432
<b>Total recoverable assistance</b>	<b>376,996</b>	<b>367,348</b>	<b>346,045</b>	<b>347,849</b>	<b>442,018</b>
<b>All lump-sum hardship assistance<sup>1</sup></b>					
<b>Total</b>	<b>761,876</b>	<b>743,885</b>	<b>692,222</b>	<b>710,354</b>	<b>968,891</b>

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 increased between 2006/2007 and 2008/2009***

This increase (see table LS.4) accelerated in 2008/2009. It reflected:

- patterns in numbers receiving main benefits
- increased use of hardship assistance among low-income working families.

This increase followed two years of decreases between 2004/2005 and 2006/2007.

***Between 2004/2005 and 2008/2009, recipients of Special Needs Grants and benefit advances became less likely to be receiving a carer's benefit***

Thirty-seven percent of recipients of Special Needs Grants and benefit advances in 2008/2009 were receiving a carer's benefit (see table LS.4). This compared with 42% in 2004/2005.

There was a corresponding increase in the proportion paid to recipients of Sickness Benefits or Invalid's Benefits.

The proportion of these payments that were made to recipients of unemployment-associated benefits has fluctuated over the last two years.

These changes reflect patterns in numbers receiving main benefits.

table  
LS.4**New Zealand Superannuation, pension or main benefit paid to clients receiving Special Needs Grants or benefit advances**

New Zealand Superannuation, pension or main benefit paid when Special Needs Grant or benefit advance provided	Payments of Special Needs Grants or benefit advances <sup>1</sup>				
	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number
Unemployment-associated benefits <sup>2</sup>	120,735	103,373	84,681	64,586	116,349
Carer's benefits <sup>3</sup>	310,574	291,412	260,275	260,799	346,224
Sickness-related benefits <sup>4</sup>	95,567	101,090	100,369	108,693	150,451
Invalid's Benefit	107,346	110,969	107,643	116,242	144,478
Widow's Benefit	7,060	5,928	5,096	5,193	6,360
Emergency Benefit	10,030	10,164	9,460	8,408	9,639
New Zealand Superannuation	23,380	24,126	24,349	26,633	35,015
Veteran's Pension	327	317	352	335	445
No New Zealand Superannuation, pension or main benefit <sup>5</sup>	65,835	73,159	75,502	91,150	125,068
<b>Total</b>	<b>740,854</b>	<b>720,538</b>	<b>667,727</b>	<b>682,039</b>	<b>934,029</b>

## Notes

- 1 Numbers of Special Needs Grants and benefit advances recorded in SWIFTT in years ended June.
- 2 Comprises Unemployment Benefits, Unemployment Benefits – Hardship, Unemployment Benefits – Training, Unemployment Benefits – Hardship – Training, Unemployment Benefits – Student – Hardship, Independent Youth Benefits paid to clients aged 18 years or over.
- 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.

**Trends in the value of hardship payments*****The value of Special Needs Grants and benefit advances made rose between 2006/2007 and 2008/2009***

This growth (see table LS.5) accelerated in 2008/2009. It reflected a combination of:

- increased levels of payments
- growth in numbers of payments made.

This followed decreases over the previous two years.

***Two-fifths of expenditure on Special Needs Grants or benefit advances between 2006/2007 and 2008/2009 was for clients receiving a carer's benefit***

Between 2006/2007 and 2008/2009, around 42% of expenditure on Special Needs Grants and benefit advances was for grants paid to clients receiving carer's benefits (see table LS.5). Another 31% was for grants received by recipients of sickness-related benefits or Invalid's Benefit.

The proportion of this expenditure that was for grants to recipients of unemployment-associated benefits has fluctuated since 2006/2007.

table  
LS.5**Value of Special Needs Grants and benefit advances paid, by the New Zealand Superannuation, pension or main benefit clients were receiving (\$000s)**

Type of pension or main benefit paid when Special Needs Grant or benefit advance was provided	Value of Special Needs Grants and benefit advances (\$000s) <sup>1,2</sup>				
	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009
Unemployment-associated benefits <sup>3</sup>	22,434	19,610	16,487	13,073	23,347
Carer's benefits <sup>4</sup>	66,749	65,106	61,556	64,476	85,232
Sickness-related benefits <sup>5</sup>	18,264	19,768	20,518	22,701	30,697
Invalid's Benefit	21,837	23,112	23,219	25,898	32,151
Widow's Benefit	1,565	1,387	1,255	1,272	1,552
Emergency Benefit	2,311	2,318	2,306	2,121	2,357
New Zealand Superannuation	6,423	7,056	7,489	8,536	11,362
Veteran's Pension	103	100	114	127	167
No New Zealand Superannuation, pension or main benefit <sup>6</sup>	10,222	11,280	12,018	14,680	20,473
<b>Total</b>	<b>149,908</b>	<b>149,738</b>	<b>144,962</b>	<b>152,885</b>	<b>207,338</b>

## 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, Unemployment Benefits – Hardship, Unemployment Benefits – Training, Unemployment Benefits – Hardship – Training, Unemployment Benefits – Student – Hardship, Independent Youth Benefits paid to clients aged 18 years or over.
- 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 Includes clients receiving an Orphan's Benefit or an Unsupported Child's Benefit.

***Expenditure on Recoverable Assistance Programme payments increased between 2004/2005 and 2008/2009***

This increase (see table LS.6) reflected increases in:

- the number of payments
- the average value of payments made.

These changes reflected in part the impact of deteriorating economic conditions.

table  
LS.6**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				
	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009
Amount (\$000) <sup>1</sup>	\$6,837	\$7,907	\$8,909	\$11,024	\$14,178
Number of payments <sup>2</sup>	21,022	23,347	24,495	28,315	34,862
Average value per payment (\$)	\$325	\$339	\$364	\$389	\$407

## 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.

## Reasons for hardship payments

### *Over 2008/2009, Special Needs Grants and benefit advances became slightly more likely to be for food*

Forty-six percent of Special Needs Grants and benefit advances in 2008/2009 were for food (see table LS.7). This compared with 42% in 2007/2008.

There was a corresponding slight fall in the proportion of this assistance paid for "other emergency situations" (from 36% to 34%).

table  
LS.7

### Purpose of Special Needs Grants and benefit advances

Purpose of Special Needs Grant or benefit advance	Number of Special Needs Grants and benefit advances <sup>1</sup>				
	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number
Advances	9,398	8,250	7,546	8,040	10,450
Disabled Civilian Amputee <sup>2</sup>	59	77	90	161	162
Driver licence	0	0	0	0	2,884
Effluent treatment	0	0	0	0	346
Food	299,739	297,485	272,514	285,460	432,902
Funeral grants	27	15	12	17	29
Health-related assistance	15,752	14,781	13,727	14,629	17,368
Home-help payments <sup>2</sup>	16	15	12	42	12
Live organ donors (income assistance)	13	48	41	80	78
Medical and associated costs	89,518	87,361	83,629	82,822	96,567
Other emergency situations	270,154	262,328	245,339	248,273	321,167
Payments for goods or services	583	403	272	324	2
People affected by benefit stand downs	2,651	1,627	1,038	548	2,778
Re-establishment accommodation element	637	653	658	647	754
Re-establishment grants	11,073	11,558	12,036	11,480	11,758
Rural sector (including Civil Defence Emergencies and drought relief)	289	9	6	240	617
Sickness Benefit/Invalid's Benefit assessment travel	192	234	179	100	145
School education costs	34,287	30,943	27,290	26,158	32,206
Special Education Service <sup>3</sup>	0	0	0	0	0
Teen payment	0	5	0	3	14
Terminal benefit arrears <sup>2</sup>	2,139	770	5	0	2
Transfer to New Zealand Superannuation	592	554	417	166	316
Urgent house repairs and maintenance	3,704	3,374	2,883	2,787	3,446
Youth transition	31	48	33	62	26
<b>Total</b>	<b>740,854</b>	<b>720,538</b>	<b>667,727</b>	<b>682,039</b>	<b>934,029</b>

#### 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 LS.8 and figure LS.1 below do not include expenditure on these items as Special Needs Grants expenditure.
- 3 Transferred to other payment codes from July 2002.

***But food accounted for a relatively small part of expenditure on Special Needs Grants and benefit advances over this period***

Food accounted for 22% of the total value of Special Needs Grants and benefit advances in 2008/2009. This is a slight increase from 18% in 2007/2008. “Other emergency situations” accounted for around 53% of this expenditure over this period. This reflected differences in the level of assistance provided for the respective purposes.

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**Trends in expenditure**

***Note – expenditure on Special Needs Grants includes grants subsequently reclassified as benefit advances***

The expenditure data in table LS.8 and figure LS.1 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 increased between 2005/2006 and 2008/2009***

This increase (see table LS.8):

- reflected changes both in numbers of payments and in rates of payment
- followed a slight decrease between 2004/2005 and 2005/2006.

The accelerated increase between 2007/2008 and 2008/2009 reflected a rise in numbers of Special Needs Grants paid.

Earlier changes in annual expenditure on Special Needs Grants (see table LS.8) reflected:

- increases between 1998/1999 and 2003/2004 in the number of grants provided
- 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
- increased levels of other assistance to low-income families available since the implementation of Working for Families in October 2004, which reduced demand for Special Needs Grants.

Increases between 1998/1999 and 2003/2004 in the number of Special Needs Grants paid primarily reflected the impact of the recession which began in 1997 and continued until 2003.

table  
LS.8

**Annual expenditure on Special Needs Grants**

Year ended June	Expenditure on Special Needs Grants <sup>1,2,3</sup> (\$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
2008/2009	72

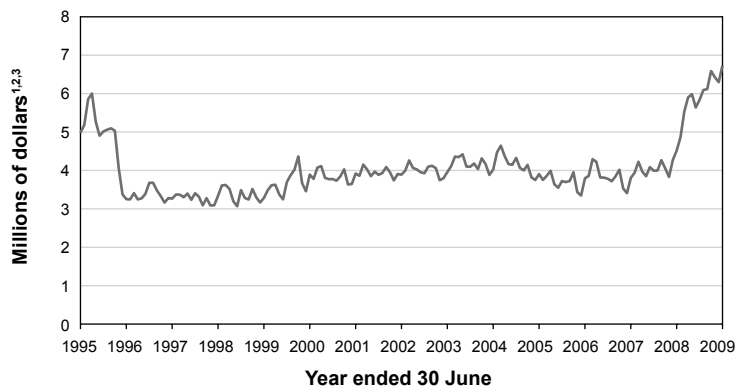
Notes

- 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 LS.1). This reflected variation in the number of grants made.

figure  
LS.1

**Monthly expenditure on Special Needs Grants**



Notes

- 1 Includes expenditure on recoverable and non-recoverable Special Needs Grants.
- 2 Expenditure on Special Needs Grants is smoothed using a two-month moving average. Special Needs Grants are not subject to taxation.
- 3 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.



**Expenditure on benefit advances and Recoverable Assistance Programme payments increased between 2006/2007 and 2008/2009**

This increase (see table LS.9) reflected:

- increased numbers of benefit advances in 2008/2009 following four years of decreases
- small ongoing increases in:
  - numbers of Recoverable Assistance Programme payments
  - the level of assistance provided to those receiving these payments
- other types of assistance available.

Changes in numbers receiving benefit advances reflected changes in the number of clients receiving main benefits.

Changes in expenditure on benefit advances and Recoverable Assistance Programme payments (see table LS.9) reflected 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
- changes in numbers of clients receiving main benefits
- slowing growth in numbers of low-income working families seeking and receiving assistance under the Recoverable Assistance Programme.

The Working for Families package introduced in October 2004 contributed to slowing of growth in demand from low-income working families for assistance under the Recoverable Assistance Programme.

**Annual expenditure on benefit advances and Recoverable Assistance Programme payments**

table  
LS.9

Year ended June	Expenditure on benefit advances and Recoverable Assistance Programme payments (\$m) <sup>1,2,3</sup>
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
2008/2009	146

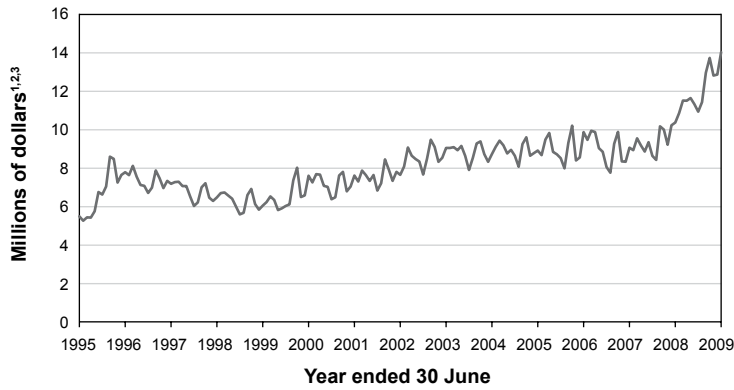
Notes

- 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.

Monthly expenditure on benefit advances and Recoverable Assistance Programme payments shows significant variation (see figure LS.2). This reflected seasonal variation in the number of benefit advances made.

figure  
LS.2

**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.

## Superannuation and Pensions

This section outlines information on:

- War Disablement Pensions
- New Zealand Superannuation
- Veteran's Pensions.

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### War Disablement Pensions

War Disablement Pensions are paid to people with a disability resulting from military service. These pensions aim, in part, to acknowledge recipients' contribution to society as members of the armed forces.

War Disablement Pensions were paid by MSD until 1 July 2008. These are now paid by Veteran's Affairs New Zealand.

An assessment of disability resulting from military service is used to determine:

- eligibility for a War Disablement Pension
- the rate at which a War Disablement Pension may be paid.

Payments through MSD were determined through assessments carried out by a board of assessors who were independent of MSD.

War Disablement Pensions are not income tested or asset tested. Clients may receive one along with income from any other source, including other benefits, pensions or income from employment.

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### New Zealand Superannuation

#### *Who is it available to?*

New Zealand Superannuation is available to people who:

- have reached the age of eligibility (currently 65 years)
- meet other eligibility criteria (eg residency).

New Zealand Superannuation may be paid to people who:

- do not meet the eligibility criteria, but
- are married to a qualified recipient of New Zealand Superannuation.

People receiving New Zealand Superannuation on this basis do so as a "non-qualified spouse".

#### *Income and residency tests*

New Zealand Superannuation is not income tested except when it is being received by a non-qualified spouse.

Clients receiving New Zealand Superannuation may receive supplementary benefits to assist with meeting necessary costs of living. These supplementary benefits are income tested and asset tested in the same way as for other clients.

Residency tests apply to New Zealand Superannuation. To meet residency requirements, the client must have lived in New Zealand:

- for 10 years since they were aged 20 years, including
- five years since they were aged 50 years.

People who do not meet these residency requirements may be eligible to receive an Emergency Benefit if they:

- have reached the qualifying age for New Zealand Superannuation
- are in hardship.

**Historic changes in administration of New Zealand Superannuation**

On 1 April 1992, the qualifying age was increased from 60 years to 61 years. The qualifying age was then increased by three months every six months from 1 April 1993, until it was fixed at 65 years from 1 April 2001.

**Payment rates**

Payment rates for New Zealand Superannuation are set by legislation. At the "M" tax rate, the combined after-tax amount of New Zealand Superannuation payable to a married couple must be between 65% and 72.5% of the after-tax average ordinary-time weekly wage.

A single person living alone receives 65% of the rate payable to a married couple. A single person sharing accommodation receives 60% of that rate.

Where one 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, without an income test, or
- 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.

Table NP.1 shows rates for New Zealand Superannuation payable from 1 April 2009.

table  
NP.1

**Weekly payment rates for New Zealand Superannuation (payable from 1 April 2009)**

Status <sup>1</sup>	Payment rate excluding tax paid at "M" rate <sup>2,3</sup>	Payment rate excluding tax paid at "S" rate <sup>2,3</sup>
Married, each, both qualify	\$239.19	\$216.30
Married, each, only one qualifies <sup>4</sup>	\$227.49	\$205.47
Married, each, only one qualifies, and application accepted before 1 October 1991 <sup>4</sup>	\$239.19	\$216.30
Single, living alone	\$310.95	\$288.06
Single, living with others	\$287.03	\$264.14

**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 2009. Payments of New Zealand Superannuation and Veteran's Pension are made fortnightly at double the rates indicated above.
- 3 Rates shown are exclusive of Working for Families Tax Credits paid by Inland Revenue.
- 4 Where one partner is a non-qualified spouse (eg they are under the qualifying age or do not meet residency requirements), the amount paid is income tested. As an alternative, the qualified spouse can opt to receive payment for themselves only, at the "married" rate where only one partner qualifies, but without an income test. Rates shown for single people or where both partners qualify are not income tested.

## Trends in the number of clients receiving New Zealand Superannuation

### *Numbers receiving New Zealand Superannuation increased between 2005 and 2009*

The number of clients receiving New Zealand Superannuation has increased since 2005. This increase (see table NZ.1) reflected the impact of:

- the ageing of the population
- relatively constant cessations of New Zealand Superannuation over the period.

### *Over this period, around half of those receiving New Zealand Superannuation were aged 65–74 years*

Since 2005, around 53% of New Zealand Superannuation recipients have been aged 65–74 years (see table NZ.1). Another 44% of these clients have been aged 75 years or over.

table  
NZ.1

### Ages of clients receiving New Zealand Superannuation

Age of client at the end of June	Clients receiving New Zealand Superannuation <sup>1</sup>				
	2005 Number	2006 Number	2007 Number	2008 Number	2009 Number
Under 60 years <sup>2</sup>	4,205	3,899	3,484	3,179	3,226
60–64 years <sup>2</sup>	11,971	11,072	10,303	9,781	9,909
65–69 years	135,322	144,867	153,900	158,186	165,498
70–74 years	111,329	111,240	113,201	117,332	122,396
75–79 years	95,021	96,754	97,382	97,581	97,821
80 years or over	117,367	120,993	124,447	128,217	131,908
<b>Total</b>	<b>475,215</b>	<b>488,825</b>	<b>502,717</b>	<b>514,276</b>	<b>530,758</b>

#### 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 BU.1 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

**Between 2005 and 2009, nearly all New Zealanders aged 65 years or over were receiving New Zealand Superannuation**

The proportion of people aged 65 years or over receiving New Zealand Superannuation has risen slightly since 2005 (see figure NZ.1).

**Between 2007 and 2009, changes in the likelihood of receiving New Zealand Superannuation were largest among 65–74 year olds**

Over this period, those aged 65–69 years and 70–74 years showed the steepest increases in the likelihood of receiving New Zealand Superannuation (see figure NZ.1).

Changes over this period in the likelihood of people aged 80 years or over receiving New Zealand Superannuation reflected:

- patterns in the use of Veteran’s pensions
- increases in numbers of people aged 80 years or over.

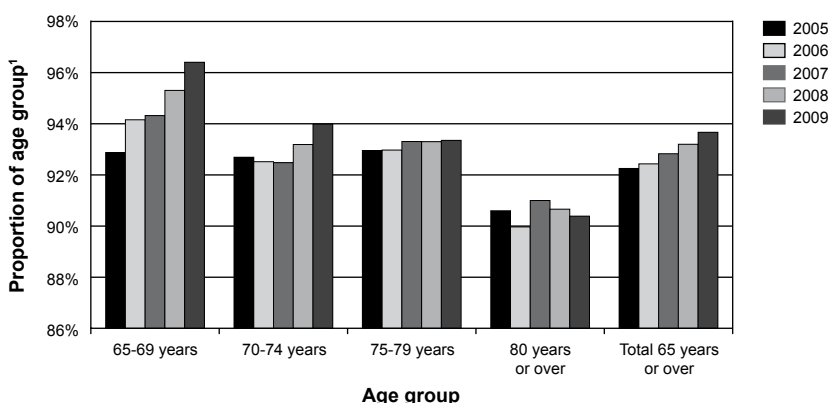
**Note – not all people aged 65 years or over receive New Zealand Superannuation or Veteran’s Pension**

A small number of people aged 65 years or over do not receive New Zealand Superannuation or Veteran’s Pension. This group mainly comprises people who:

- are not ex-service personnel
- do not meet eligibility criteria for New Zealand Superannuation (usually because they do not meet the residency criteria).

figure NZ.1

**Proportion of people aged 65 years or over receiving New Zealand Superannuation, by age**



Note

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

See table PP.17 for a summary of the data underlying figure NZ.1.

## Trends in New Zealand Superannuation grants

### *Grants of New Zealand Superannuation fluctuated between 2006/2007 and 2008/2009*

This pattern (see table NZ.2) reflected in part changes in the number of people turning 65 years of age during any year, and followed two years of increases.

### *Most clients granted New Zealand Superannuation between 2004/2005 and 2008/2009 had been independent of the benefit system*

Seventy-eight percent of clients granted New Zealand Superannuation in 2008/2009 had not received New Zealand Superannuation, a pension or a main benefit in the previous four years (see table NZ.2). This was a slight increase from 74% in 2004/2005.

There was a corresponding fall in the proportion of these clients who transferred from New Zealand Superannuation, a pension or a main benefit (from 21% to 17%).

table  
NZ.2

### 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 <sup>1</sup>				
	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number
None (clients transferring from another pension or district, or from a main benefit) <sup>2</sup>	8,083	8,011	7,907	7,252	7,458
Under 6 months	362	364	394	337	334
6–12 months	305	383	357	344	365
12–18 months	254	320	322	284	332
18 months–2 years	254	272	264	264	328
2–4 years	897	905	983	991	1,027
Had not received a pension or main benefit in previous four years	28,854	31,118	31,845	30,048	34,747
<b>Total</b>	<b>39,009</b>	<b>41,373</b>	<b>42,072</b>	<b>39,520</b>	<b>44,591</b>

#### Notes

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

## Trends in expenditure on New Zealand Superannuation

### ***Expenditure on New Zealand Superannuation increased between 1999/2000 and 2008/2009***

This increase (see table NZ.3) reflected the combined effects of:

- larger numbers receiving New Zealand Superannuation
- adjustments to the rate at which New Zealand Superannuation is paid
- changes in the use of supplementary benefits (eg Disability Allowance) by clients receiving New Zealand Superannuation.

### ***New Zealand Superannuation expenditure was relatively flat between 1995/1996 and 1999/2000***

This pattern (see table NZ.3) reflected a combination of:

- incremental increases between 1 April 1992 and 1 April 2001 in the age of eligibility for New Zealand Superannuation (this depressed growth in numbers receiving New Zealand Superannuation over the period of the change)
- population ageing (this increased 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 (this expenditure is included in the expenditure information in table NZ.3).

table  
NZ.3

### **Annual expenditure on New Zealand Superannuation**

Year ended June	Expenditure on New Zealand Superannuation <sup>1,2,3</sup> (\$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
2008/2009	8,023

#### 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.



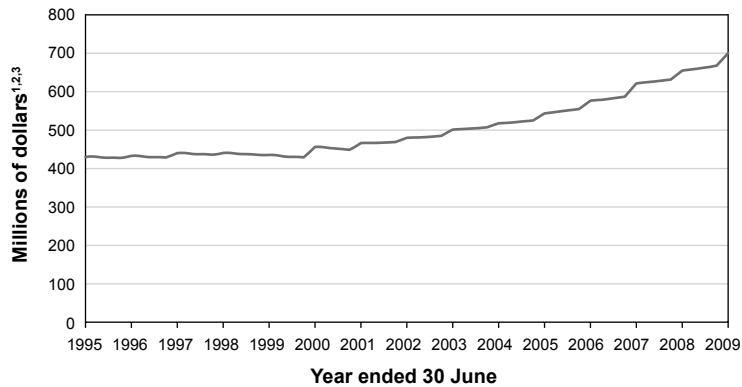
**Changes in eligibility age affected monthly New Zealand Superannuation expenditure between 1995/1996 and 2000/2001**

Seasonal peaks in expenditure between 1995/1996 and 2000/2001 (see figure NZ.2) reflected a surge of New Zealand Superannuation grants in the quarters beginning April and October each year.

These surges occurred as each incremental increase in the age of eligibility took effect. These peaks ceased in 2000/2001, because the age of eligibility has remained at 65 years since 1 April 2001.

figure  
NZ.2

**Monthly expenditure on New Zealand Superannuation**



Notes

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

Table BU.2 shows trends since 1940 in expenditure on New Zealand Superannuation, including expenditure on supplementary benefits paid to people receiving New Zealand Superannuation.<sup>NZ1</sup>

NZ1 In table BU.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 NZ.3 and figure NZ.2 do not reflect these deductions.

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## Veteran's Pensions

### Background

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.

### Historic changes in the administration of Veteran's Pensions

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: Veteran's Affairs. It is now in Vote: Veteran's Affairs – Social Development.

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### Eligibility

#### *Who are Veteran's Pensions available to?*

These pensions are available to ex-service personnel who served in a war or emergency and are:

- aged 65 years or over and qualified for a War Disablement Pension, or
- aged under 65 years and unable to work because of a disability.

To qualify for a Veteran's Pension, 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.

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

A policy change was introduced in 1992 that allowed veterans receiving New Zealand Superannuation to transfer to a Veteran's Pension.

#### *Income and residency tests*

Veteran's Pensions are not income tested except where:

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

Qualified recipients aged under 65 years who have no spouse included in their pension are subject to a personal earnings test only.

Clients receiving a Veteran's Pension may receive supplementary benefits to assist with meeting necessary costs of living. These supplementary benefits are income tested and asset tested in the same way as for other clients.

### Payment rates

The payment rates for Veteran's Pensions are set by legislation. At the "M" tax rate, the combined after-tax amount of Veteran's Pension payable to a married couple must be between 65% and 72.5% of the after-tax average ordinary-time weekly wage. A single person living alone receives 65% of the rate payable to a married couple, while a single person sharing accommodation receives 60% of that rate.

Veteran's Pension payments are taxable.

Table NP.2 shows rates for Veteran's Pensions payable from 1 April 2009.

table  
NP.2

### Weekly payment rates for Veteran's Pensions (payable from 1 April 2009)

Status <sup>1</sup>	Payment rate excluding tax paid at "M" rate <sup>2,3</sup>	Payment rate excluding tax paid at "S" rate <sup>2,3</sup>
Married, each, both qualify	\$239.19	\$216.30
Married, each, only one qualifies <sup>4</sup>	\$227.49	\$205.47
Married, each, only one qualifies, and application accepted before 1 October 1991 <sup>4</sup>	\$239.19	\$216.30
Single, living alone	\$310.95	\$288.06
Single, living with others	\$287.03	\$264.14

#### 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 2009. Payments of New Zealand Superannuation and Veteran's Pension are made fortnightly at double the rates indicated above.
- 3 Rates shown are exclusive of Working for Families Tax Credits paid by Inland Revenue.
- 4 Where one partner is a non-qualified spouse (eg they are under the qualifying age or do not meet residency requirements), the amount paid is income tested. As an alternative, the qualified spouse can opt to receive payment for themselves only, at the "married" rate where only one partner qualifies, but without an income test. Rates shown for single people or where both partners qualify are not income tested.

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

#### *Numbers receiving Veteran's Pensions increased between 2005 and 2009*

This increase (see table VP.1) reflected the ageing of World War Two veterans and their spouses, who are the largest group of Veteran's Pension recipients.

#### *Over this period, Veteran's Pension recipients became slightly more likely to be aged 80 years or over*

Sixty-four percent of Veteran's Pension recipients in 2009 were aged 80 years or over (see table VP.1). This is a slight increase on 59% in 2005. There was a corresponding decrease in the proportion of Veteran's Pension recipients who were aged 70–79 years (from 28% to 22%).

table  
VP.1

**Ages of clients receiving a Veteran's Pension**

Age of client at the end of June	Clients receiving a Veteran's Pension <sup>1</sup>				
	2005 Number	2006 Number	2007 Number	2008 Number	2009 Number
Under 60 years	352	326	284	218	183
60–64 years	357	363	393	462	482
65–69 years	478	562	681	770	851
70–74 years	776	828	887	930	966
75–79 years	1,670	1,577	1,514	1,514	1,478
80 years or over	5,238	5,816	6,306	6,842	7,056
<b>Total</b>	<b>8,871</b>	<b>9,472</b>	<b>10,065</b>	<b>10,736</b>	<b>11,016</b>

Note

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

Table BU.1 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**

***Between 2005 and 2009, a small number of New Zealanders aged 65 years or over received Veteran's Pensions***

Since 2004, less than 2% of people aged 65 years or over have been receiving a Veteran's Pension (see figure VP.1).

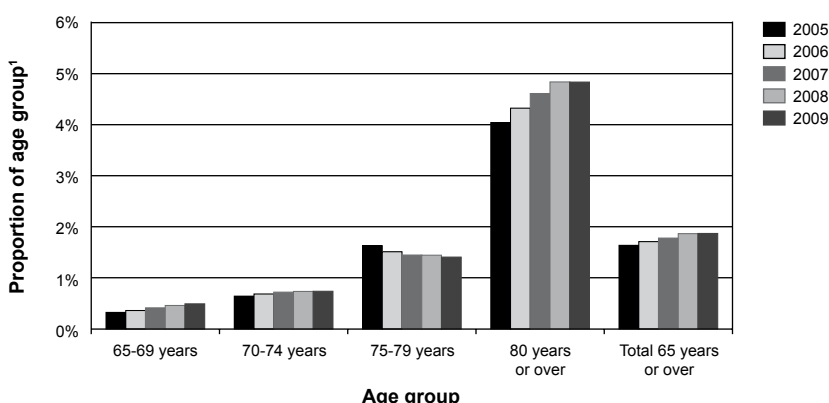
***Over this period, New Zealanders aged 80 years or over became slightly more likely to be receiving Veteran's Pensions***

Five percent of people aged 80 years or over were receiving Veteran's Pensions in 2009 (see figure VP.1). This compared with 4% in 2005. Over the same period, around 1.5% of 75–79 year olds were receiving Veteran's Pensions.

These changes largely reflected the ageing of World War Two veterans and their spouses or partners.

figure  
VP.1

**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 SWIFTT 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 PP.18 for a summary of the data underlying figure VP.1.

### Trends in Veteran's Pensions granted

#### **Numbers of Veteran's Pensions granted decreased between 2007/2008 and 2008/2009**

This decrease (see table VP.2) reflected a slowing of transfers from a pension or main benefit to a Veteran's Pension. These transfers usually involved a transfer from New Zealand Superannuation to a Veteran's Pension.

This decrease followed three years of increases.

#### **A large majority of clients granted Veteran's Pensions between 2004/2005 and 2008/2009 transferred from New Zealand Superannuation, a pension or a main benefit**

Eighty-two percent of clients granted Veteran's Pensions in 2008/2009 had transferred within the benefit system (see table VP.2). This compared with 89% in 2007/2008.

These transfers were usually from New Zealand Superannuation to Veteran's Pensions.

table  
VP.2

#### **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 <sup>1</sup>				
	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number
None (clients transferring from another pension or district or from a main benefit) <sup>2</sup>	1,047	1,152	1,279	1,439	1,017
Under 6 months	7	18	5	5	3
6–12 months	2	2	2	1	2
12–18 months	5	2	1	2	1
18 months–2 years	4	7	4	2	2
2–4 years	10	14	10	17	15
Had not received a pension or main benefit in previous four years	168	172	179	151	203
<b>Total</b>	<b>1,243</b>	<b>1,367</b>	<b>1,480</b>	<b>1,617</b>	<b>1,243</b>

#### 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

### ***Expenditure on Veteran's Pensions increased between 1995/1996 and 2008/2009***

This growth (see table VP.3) accelerated between 2004/2005 and 2008/2009.

The historic pattern of growing expenditure reflected:

- increases in the number of people receiving a pension
- changes in the rate of payment.

Recent acceleration of the increase reflected:

- growth in numbers receiving these pensions
- increased use of supplementary benefits (eg Disability Allowance) by recipients of these pensions.

table  
VP.3

### **Annual expenditure on Veteran's Pensions**

Year ended June	Expenditure on Veteran's Pensions <sup>1,2,3</sup> (\$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
2008/2009	156

#### 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.

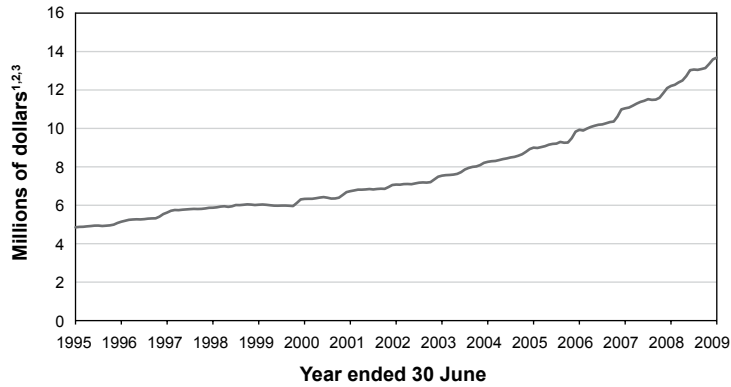
### ***Monthly expenditure on Veteran's Pensions showed little seasonal variation between 1995/1996 and 2008/2009***

Sharp increases in expenditure in April 2000 and April 2001 (see figure VP.2) reflected:

- 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  
VP.2

**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 BU.2 shows trends since 1990 in expenditure on Veteran's Pensions and on supplementary benefits paid to clients receiving these pensions.<sup>VP1</sup>

VP1 In table BU.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 VP.3 and figure VP.2.



## Employment Services

### Background

#### ***Which services are these?***

Work and Income provides a range of employment and training assistance to help clients gain paid employment.

This assistance includes assistance of varying intensities. Less intensive assistance includes:

- one-to-one assistance with job search and preparation to enter employment
- referral of clients to vacancies that are notified to Work and Income.

More intensive employment and training assistance includes:

- employment or training assistance that helps clients to prepare for work, to find a job, or to enter employment
- 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.

#### ***Who is eligible 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
- working age (18–64 years)
- actively seeking or preparing for work.

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

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

Where appropriate, intensive work services may be provided to clients who:

- are aged under 18 years or are not receiving a main benefit, but
- are disadvantaged in the local labour market and at risk of long-term benefit dependency.

#### ***Who can receive intensive work services because of disadvantage in the labour market?***

A range of factors is taken into account in determining whether a person could receive intensive work services under this criterion. These include:

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



***Can people already working receive work services?***

Work services may also be provided to support people who are currently working. These work services are provided in order to assist the client to:

- seek another job (eg where redundancy is pending), or
- retain the job they are in (eg where health or disability issues may otherwise threaten the person's future in the job).

---

**Registered job seekers**
***Who are registered job seekers?***

Registered job seekers include:

- people who are required to register as job seekers because they, or their partner or spouse, are receiving a work-tested benefit
- people who choose to register with Work and Income as part of seeking work, in order to obtain assistance with finding work
- some people who do not qualify for unemployment benefits or count as officially unemployed.

Registered job seekers are:

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

Registration as a job seeker denotes an administrative status. Numbers of registered job seekers should not be confused with numbers of recipients of main benefits, nor with numbers of officially unemployed.

Numbers of people required to register as job seekers have fluctuated considerably over the last decade as different work testing regimes have redefined criteria for registration and as Work and Income's client engagement models have changed. Comparisons over time in such numbers are therefore not readily interpreted.

---

**Job search service**
***What is the Job Search Service?***

The service is a 13-week programme that assists clients to:

- develop their job search capability
- improve their likelihood of finding and retaining paid work.

The programme involves:

- seminars
- planning and assessment sessions
- monitoring of the client's job search progress.

The Job Search Service was progressively rolled out across all Work and Income sites during the year ended June 2006.

***How does the Job Search Service work?***

The Job Search Service has several components. Different modules provide clients with details of:

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

Clients are offered modules that are likely to address needs identified at their first assessment.

Clients in the programme are reassessed regularly to make sure the programme is continuing to meet their needs. Clients needing extra support will have a case manager assigned to work with them on a one-on-one basis.

***How does the reassessment work?***

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.

***Who is eligible to participate in the Job Search Service?***

Clients applying for a work-tested benefit may be required to participate in the Job Search Service as a pre-benefit obligation. Clients applying for a non-work-tested benefit are also encouraged to attend.

The Job Search Service is not mandatory for all clients but may be assigned as a pre-benefit obligation.

***What support is available to clients undertaking the programme?***

Clients may be supported in their job search activity through:

- phone contact with Work and Income staff
- seminar attendance, or
- additional assistance co-ordinated by a case manager.

Assistance co-ordinated by a case manager may include:

- general job skills or work readiness training
- training in skills relevant to a specific occupation, or
- addressing the role of attitude and motivation.

***What happens following the end of the programme?***

Clients who proceed with an application for the Unemployment Benefit participate in a planning and assessment process. This process leads to a service plan agreement.

The service plan agreement sets out the actions that the clients will take to:

- obtain work, or
- become work ready.

Clients are required to undertake these activities based on their individual circumstances.

## **Transition to Work assistance**

***What is Transition to Work assistance?***

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

- make 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
- New Employment Transition Grants
- Seasonal Work Assistance.

Transition to Work Grants replaced Work Start Grants and Pathways Payments from April 2007.

---

## Transition to Work Grants

### ***What are Transition to Work Grants?***

Transition to Work Grants are available to assist with the costs of seeking or taking up paid work. This assistance is available to people who may be unlikely to be able to seek or take up work without such assistance.

Job interviews need to be for a position involving at least 30 hours of work per week. Job offers need to be for a position involving at least 15 hours of work per week.

Clients generally cannot receive a Transition to Work Grant if they are entering self-employment.

The costs that may be met with a Transition to Work Grant are:

- the additional costs of seeking or entering into employment (eg clothes, transport)
- specific transition to work costs related to relocation and safety equipment
- living costs incurred between the last benefit payment and the first pay from a new job.

A maximum of \$1,500 in Transition to Work Grants is available in any 52-week period.

Transition to Work Grants have been available since April 2007.

### ***Who is eligible to receive Transition to Work Grants?***

Transition to Work assistance may be available to:

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

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

- be aged 18 years or over, or to be aged under 18 years and have exceptional circumstances
- have a verified job interview or job offer (excluding self-employment) for a position involving a minimum number of hours of employment per week
- have an essential cost because of the job interview or job offer
- be unlikely to make the transition into paid work or to be able to attend the interview without receiving a Transition to Work Grant.

Job interviews need to be for a position involving at least 30 hours of work per week. Job offers need to be for a position involving at least 15 hours of work per week.

Persons aged under 18 years may be treated as being in exceptional circumstances if they:

- have a school early leaving exemption
- have one or more dependent children
- are married, living as married, or living in a civil union
- are reliant on government financial assistance, or
- are in extreme hardship.

Clients seeking work involving less than 30 hours per week may access Transition to Work Grants if it is reasonable and appropriate. This may apply when:

- there is no suitable full-time work available
- the client is working with Work and Income to progress toward full-time employment, or
- the client is unable to work full-time but able to work limited hours.

In other cases, clients must be seeking work involving 30 or more hours per week.

**Income, asset and residency tests, and other requirements**

Income, asset and residency tests apply.

Parental cash assets and income are taken into account if the client is:

- aged under 18 years
- a dependent child
- not receiving an Independent Youth Benefit.

Income and asset limits for Transition to Work Grants are shown in table TW.1.

table  
TW.1

**Income and asset limitations for Transition to Work Grants (applicable from 1 April 2009)<sup>1</sup>**

Status of client	Income limit <sup>1</sup>	Asset limit
Single 16–17 years	\$434.94	\$952.21
Single 18 years or over	\$499.88	\$952.21
Married with or without children	\$726.04	\$1,586.63
Sole parent, one child	\$606.57	\$1,586.63
Sole parent, two or more children	\$639.05	\$1,586.63

Note

1 Income limits shown are weekly and gross of income tax.

**Work Start Grants****What were 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.

Work Start Grants were available to clients who, without assistance to meet the costs involved, would not be able to:

- enter paid employment, or
- attend a job interview.

Job interviews and job offers needed to be for a position involving at least 15 hours of work per week.

Over any 52-week period, a maximum of \$300 worth of Work Start Grants were available in most circumstances.

A maximum of up to \$550 worth of grants in any 52-week period were available when the client obtained a grant for:

- relocation
- safety equipment, or
- bridging finance.

Work Start Grants were non-taxable and non-recoverable.

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

**Who was eligible for Work Start Grants?**

To receive a Work Start Grant, clients were required to:

- be aged 16 years or over
- have an essential cost because of the job interview or job offer
- have a verified job interview or a verified job offer (excluding self-employment)
- be unlikely, without receiving a Work Start Grant, to:
  - make the transition into paid work, or
  - be able to attend the interview.

Residency, income and cash asset tests applied.

---

## Pathways Payments

### ***What were Pathways Payments?***

Pathways Payments were available to assist clients entering paid employment with the living costs encountered between cancellation of their benefit and their receipt of:

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

The Pathways Payment was equal to two weeks' payment (after tax) of the benefit that was cancelled. This payment was calculated using the rate of benefit received in the week before the benefit was cancelled.

Pathways Payments were:

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

After April 2007, these payments were incorporated into Transition to Work Grants.

### ***Who was eligible to receive a Pathways Payment?***

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

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

### ***What about clients paying off a debt to Work and Income?***

If a client with a debt to Work and Income received a Pathways Payment, their debt repayments were suspended for a period of three months.

---

## New Employment Transition Grant

### ***What is a New Employment Transition Grant?***

A New Employment Transition Grant is available to assist with replacing income lost through:

- personal illness
- the need to care for a sick partner
- the need to care for a child because of:
  - sickness
  - a breakdown in childcare arrangements.

These grants are available:

- to clients with one or more dependent children
- during the first six months after the client ceases receiving a benefit to enter employment.

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

- the actual loss of gross income
- \$62.00 per day (as at 1 April 2009).

A total of no more than \$620.00 in New Employment Transition Grants may be paid to a client within the six-month qualifying period.

Grants are non-taxable and non-recoverable.

***Who is eligible for a New Employment Transition Grant?***

Clients must be unable to work because of:

- illness (their own, or that of a partner or child who requires their care)
- a breakdown in childcare arrangements or sickness.

In addition, to receive a grant because of illness, the client must have:

- no paid sick leave available, or
- exhausted their entitlement to paid sick leave.

To receive a grant because of a breakdown in childcare arrangements, the client must have:

- no paid leave (including paid annual leave) available for this purpose, or
- exhausted their entitlement to paid leave (including their entitlement to paid annual leave).

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.

Residency and cash asset tests apply.

**Seasonal Work Assistance*****What is Seasonal Work Assistance?***

This assistance is available to replace income lost through being unable to undertake seasonal horticultural work because of adverse weather conditions.

***Who may receive Seasonal Work Assistance?***

This assistance is available:

- to clients working in horticultural industries included in a list approved by MSD's Chief Executive
- during the first six months after the client ceases receiving a benefit because they began seasonal horticultural work.

At the end of June 2009, this assistance was available to people working in the fruit, vegetable, wine, flower, hops, hemp, tobacco, olive, and nursery plant industries.

Residency, income and cash asset tests apply.

***Payment rates for Seasonal Work Assistance***

The amount of Seasonal Work Assistance payable depends on:

- the client's family circumstances
- the actual net income lost during the week.

The amount of assistance to be paid per week is the lesser of:

- the actual net income lost for the week, or
- the maximum weekly payment of Seasonal Work Assistance the client may receive.

The maximum weekly payments available as at 1 April 2009 are shown in table TW.2 below.

table  
TW.2**Maximum rates of Seasonal Work Assistance payable (applicable from 1 April 2009)**

Hours of work lost (over one week)	Maximum weekly payment	
	Single person	Married person, person in civil union, or sole parent
1–8 hours	\$42.00	\$76.00
9–16 hours	\$84.00	\$152.00
17–24 hours	\$126.00	\$228.00
25–32 hours	\$168.00	\$304.00
33–40 hours	\$210.00	\$380.00
Over 40 hours	\$210.00	\$380.00

A total of no more than \$760.00 in Seasonal Work Assistance may be paid to a client within the six-month qualifying period.

Seasonal Work Assistance is non-taxable and non-recoverable.

**Trends in payments of Transition to Work assistance**

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

- trends in the number of clients entering paid work
- the emphasis that Work and Income has placed on assisting clients to obtain and retain paid work.

**Note – statistics show numbers of payments of assistance, not numbers of clients receiving it**

Some clients may have received more than one payment of Transition to Work assistance during the same financial year. The number of payments for a period will therefore be larger than the number of clients receiving assistance.

**Trends in the number of Transition to Work Grants, Work Start Grants and Pathways Payments provided****Numbers of payments remained stable between 2007/2008 and 2008/2009**

The combined number of Transition to Work Grants, Work Start Grants and Pathways Payments provided remained relatively flat between 2007/2008 and 2008/2009 (see table TW.3). This followed an increase between 2006/2007 and 2007/2008.

Reductions between 2006/2007 and 2008/2009 in the number of Work Start Grants and Pathways Payments reflected the replacement of this assistance by Transition to Work Grants.

Transition to Work Grants accounted for virtually all of the grants provided in 2008/2009, compared with 21% in 2006/2007 (see table TW.3).

table  
TW.3**Types of expenditure met by Transition to Work Grants, Work Start Grants and Pathways Payments provided**

Type of assistance	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number
<b>Work Start Grants<sup>1</sup></b>					
Bridging Finance – Non-student	5,974	5,516	4,692	1	0
Job Search Costs – Non-student	6,462	6,485	5,614	1	0
Work Placement Costs – Non-student	40,270	36,342	31,290	36	2
Bridging Finance – Student	57	43	49	0	0
Job Search Costs – Student	58	91	49	0	0
Work Placement Costs – Student	676	721	403	0	0
Unspecified	0	0	0	0	0
<b>Total Work Start Grants<sup>1</sup></b>	<b>53,497</b>	<b>49,198</b>	<b>42,097</b>	<b>38</b>	<b>2</b>
<b>Transition to Work Grants<sup>2</sup></b>					
Bridging Finance – Benefit recipient	0	0	1,199	6,516	6,432
Bridging Finance – other	0	0	1,103	7,876	7,375
Job Placement Costs	0	0	8,232	52,202	49,866
Job Search Costs	0	0	2,160	13,952	17,062
Unspecified	0	0	9	0	0
<b>Total Transition to Work Grants<sup>2</sup></b>	<b>0</b>	<b>0</b>	<b>12,703</b>	<b>80,546</b>	<b>80,735</b>
<b>Pathways Payments<sup>3</sup></b>					
<b>Total Pathways Payments<sup>3</sup></b>	<b>6,719</b>	<b>6,934</b>	<b>6,673</b>	<b>0</b>	<b>0</b>
<b>All payment types</b>					
<b>Total payments made (all types)</b>	<b>60,216</b>	<b>56,132</b>	<b>61,473</b>	<b>80,584</b>	<b>80,737</b>

## 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 decreased between 2007/2008 and 2008/2009*

This decrease (see table TW.4) reflected in part the reduced number of clients cancelling main benefits to enter paid work.

This decrease followed two years of increases.

table  
TW.4

#### Number of New Employment Transition Grants provided

	New Employment Transition Grants provided <sup>1</sup>				
	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number
<b>Total</b>	<b>569</b>	<b>535</b>	<b>702</b>	<b>841</b>	<b>655</b>

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 fluctuated between 2006/2007 and 2008/2009*

This pattern (see table TW.5) reflected a combination of:

- stormy weather patterns during 2003/2004 and 2007/2008
- changes in numbers of clients entering paid work.

This fluctuation followed a decrease between 2004/2005 and 2006/2007.

table  
TW.5

#### Number of Seasonal Work Assistance payments provided

	Seasonal Work Assistance payments provided <sup>1</sup>				
	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number
<b>Total</b>	<b>1,878</b>	<b>1,492</b>	<b>1,130</b>	<b>1,754</b>	<b>1,184</b>

Note

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

### 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 increased between 2005/2006 and 2008/2009*

This increase slowed in the last year (see table TW.6) and reflected increases in:

- the number of grants paid
- the average value of each grant paid.

table  
TW.6**Value of Transition to Work Grants, Work Start Grants and Pathways Payments provided, by expenditure type**

Type of assistance	2004/2005 Amount	2005/2006 Amount	2006/2007 Amount	2007/2008 Amount	2008/2009 Amount
	<b>Work Start Grants (\$000)<sup>1</sup></b>				
Bridging Finance – Non-student	1,223	1,161	1,030	0	0
Job Search Costs – Non-student	529	526	443	0	0
Work Placement Costs – Non-student	4,851	4,373	3,742	4	0
Bridging Finance – Student	11	8	9	0	0
Job Search Costs – Student	7	10	5	0	0
Work Placement Costs – Student	82	95	53	0	0
<b>Total Work Start Grants<sup>1</sup></b>	<b>6,703</b>	<b>6,173</b>	<b>5,281</b>	<b>5</b>	<b>0</b>
	<b>Transition to Work Grants (\$000)<sup>2</sup></b>				
Bridging Finance – Benefit recipient	0	0	383	2,113	2,166
Bridging Finance – other	0	0	325	2,469	2,465
Job Placement Costs	0	0	1,414	9,450	9,997
Job Search Costs	0	0	201	1,259	1,586
Unspecified	0	0	1	0	0
<b>Total Transition to Work Grants<sup>2</sup></b>	<b>0</b>	<b>0</b>	<b>2,324</b>	<b>15,291</b>	<b>16,213</b>
	<b>Pathways Payments (\$000)<sup>3</sup></b>				
<b>Total Pathways Payments<sup>3</sup></b>	<b>2,589</b>	<b>2,642</b>	<b>2,781</b>	<b>0</b>	<b>0</b>
	<b>Total value (all payment types)</b>				
<b>Total value (\$000)<sup>4</sup></b>	<b>9,292</b>	<b>8,815</b>	<b>10,386</b>	<b>15,296</b>	<b>16,214</b>
<b>Average value per payment (\$)</b>	<b>154</b>	<b>157</b>	<b>169</b>	<b>190</b>	<b>201</b>

## 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 decreased between 2007/2008 and 2008/2009*

This decrease followed two years of increases (see table TW.7) and reflected changes in:

- the average value of the grants paid
- the number of grants made.

table  
TW.7

#### Expenditure on New Employment Transition Grants

	Expenditure on New Employment Transition Grants <sup>1</sup>				
	2004/2005 Amount	2005/2006 Amount	2006/2007 Amount	2007/2008 Amount	2008/2009 Amount
Total (\$000)	125	116	168	225	161
Average value per payment	\$220	\$217	\$239	\$268	\$246

Note

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

### Trends in expenditure on Seasonal Work Assistance payments

#### *Expenditure on Seasonal Work Assistance payments fluctuated between 2006/2007 and 2008/2009*

This pattern (see table TW.8) reflected changes in both the numbers of payments made and the average value of payments.

This fluctuation followed two years of decreases.

table  
TW.8

#### Expenditure on Seasonal Work Assistance payments

	Expenditure on Seasonal Work Assistance payments <sup>1</sup>				
	2004/2005 Amount	2005/2006 Amount	2006/2007 Amount	2007/2008 Amount	2008/2009 Amount
Total (\$000)	278	222	156	280	182
Average value per payment	\$148	\$149	\$138	\$160	\$153

Note

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

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## Course Participation Assistance

### ***What is Course Participation Assistance?***

Course Participation Assistance provides assistance with the costs of participating in employment-related training.

The courses or programmes attracting this assistance are generally less than 12 weeks long. This assistance can only be considered for longer courses when the courses do not qualify for Student Loans or Student Allowances.

Course Participation Assistance may be paid to cover:

- course or tuition fees
- transport
- childcare, or
- care of other dependents.

This assistance:

- contributes towards the actual and reasonable costs of participating in training
- is non-taxable and non-recoverable.

### ***Who can receive Course Participation Assistance?***

To receive Course Participation Assistance, clients must:

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

The following factors are also taken into account:

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

The course or programme that the client is attending must be 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 are advised of a vacancy for a truck driver, and the client needs their heavy trade licence to apply), or
- specifically recognised by Work and Income in conjunction with a partnership initiative (eg Job Partnerships with Industry).

**Income and asset tests**

Asset and income tests apply.

The income and asset limits for receiving Course Participation Assistance are shown in table CP.1.

table  
CP.1

**Income and asset limits for Course Participation Assistance (applicable from 1 April 2009)**

Client status <sup>1</sup>	Income limit <sup>2</sup>	Asset limit
Single, 16–17 years	\$434.94	\$952.21
Single, 18 years or over	\$499.88	\$952.21
Married, with or without children	\$726.04	\$1,586.63
Sole parent, one child	\$606.57	\$1,586.63
Sole parent, two or more children	\$639.05	\$1,586.63

Notes

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

**Payment rates for Course Participation Assistance**

Maximum levels have been set for assistance with each of the costs covered by Course Participation Assistance. These maximum costs are shown in table CP.2.

table  
CP.2

**Maximum payments of Course Participation Assistance (available from 1 April 2009)**

Purpose	Maximum payment <sup>1</sup>
Tuition and enrolment fees	\$200.00
Transport costs	\$60.00
Caring costs <sup>2</sup>	\$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.

Some clients receive assistance with both transport and caring costs. The combined amount of assistance paid toward these costs cannot exceed \$80 per week.

**Trends in the number of people receiving Course Participation Assistance**

**Numbers receiving Course Participation Assistance increased between 2007/2008 and 2008/2009**

This increase (see table CP.3) reflects, at least in part, increases in numbers of clients receiving main benefits.

**Two thirds of recipients of this assistance in 2009 were receiving unemployment-associated benefits**

Sixty-six percent of clients receiving Course Participation Assistance in 2009 were being paid an unemployment-associated benefit (see table CP.3). This compared to 55% in 2007/2008.

This change reflected an increase in the numbers receiving unemployment-associated benefits.

table  
CP.3**Types of main benefits paid to clients receiving payments of Course Participation Assistance**

Type of main benefit paid when Course Participation Allowance received	Number of payments of Course Participation Assistance <sup>1</sup>	
	2007/2008 Number	2008/2009 Number
Unemployment-associated benefits <sup>2</sup>	1,988	3,517
Carer's benefits <sup>3</sup>	776	773
Sickness-related benefits <sup>4</sup>	525	722
Invalid's Benefit	288	269
Widow's Benefit	14	17
Emergency Benefit	33	24
<b>Total</b>	<b>3,624</b>	<b>5,322</b>

## Notes

- 1 Number of payments of Course Participation Assistance recorded in SWIFTT in years ended June.
- 2 Comprises Unemployment Benefits, Unemployment Benefits – Hardship, Unemployment Benefits – Training, Unemployment Benefits – Hardship – Training, Unemployment Benefits – Student – Hardship, Independent Youth Benefits paid to clients aged 18 years or over.
- 3 Comprise Domestic Purposes Benefits – Sole Parent, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefit – Women Alone, and Emergency Maintenance Allowance.
- 4 Comprise Sickness Benefits and Sickness Benefits – Hardship.

**What the payments covered**

*In 2007/2008 and 2008/2009, around 58% of Course Participation Assistance payments were for fees*

Another 40% were for transport (see table CP.4).

Caring costs accounted for a very small proportion of Course Assistance payments over this period.

table  
CP.4**Reasons for payments of Course Participation Assistance**

Reason for payment	Number of payments of Course Participation Assistance <sup>1</sup>	
	2007/2008 Number	2008/2009 Number
Caring	78	83
Fees	2,066	3,115
Transport	1,480	2,124
<b>Total</b>	<b>3,624</b>	<b>5,322</b>

## Note

- 1 Number of payments of Course Participation Assistance recorded in SWIFTT in years ended June.

***Expenditure on Course Participation Assistance increased between 2007/2008 and 2008/2009***

This increase (see table CP.5) reflected:

- an increased average level of payments
- increased numbers of payments.

***Around three-quarters of Course Allowance Participation expenditure in 2007/2008 and 2008/2009 was on course fees***

Seventy-eight percent of Course Participation Assistance expenditure in 2008/2009 was paid for fees (see table CP.5). This compared with 75% in 2007/2008.

Over this period, transport costs accounted for around 21% of expenditure on Course Participation Assistance.

table  
CP.5

**Expenditure on Course Participation Assistance**

Reason for expenditure	Expenditure on Course Participation Assistance <sup>1</sup>	
	2007/2008 Amount	2008/2009 Amount
Caring (\$000)	14.9	14.9
Fees (\$000)	491.4	790.1
Transport (\$000)	146.8	209.3
<b>Total (\$000)</b>	<b>653.1</b>	<b>1,014.3</b>
<b>Average value per payment</b>	<b>\$180</b>	<b>\$191</b>

Note

1 Expenditure on Course Participation Assistance payments recorded in SWIFTT in years ended June.

## Services to Students

### Background

The Ministry of Social Development (MSD) provides assistance to students through its StudyLink service line.

#### ***What assistance is available for students?***

Assistance to students available from MSD comprises:

- Student Allowances
- Student Loans
- Accommodation Benefits (available under the Student Allowances scheme)
- main benefits during study breaks
- supplementary assistance and emergency assistance
- scholarships
- job search assistance during study breaks.<sup>1</sup>

#### ***Who is eligible to receive this assistance?***

In general terms, the eligibility of students for StudyLink assistance depends on:

- the student being enrolled in an approved course at an approved education provider
- (for some types of assistance) the age and circumstances of the student and their family.

Detailed information on eligibility for each type of assistance is given in the following sections.

#### ***Note – statistics and operational/eligibility information are for calendar years 2004–2008***

This report entered production before the end of the 2009 academic year. Because of this:

- the statistics for services to students cover the calendar years 2004 to 2008
- operational and eligibility information is for the same period.

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### Student Allowances

Student Allowances provide assistance with living costs of:

- New Zealand students studying full-time toward recognised tertiary qualifications
- adults studying full-time at secondary school.

The scheme was introduced in 1989. It aims to ensure that the need to meet day-to-day living expenses does not act as a barrier to full-time education for students from low- and middle-income groups.

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### Eligibility

To receive a Student Allowance, a student must be:

- enrolled as a full-time student (with some exceptions for limited full-time study)
- on a recognised programme at an approved education provider.

In addition, students must be aged 18 years or over, or aged 16–17 years in some circumstances.

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<sup>1</sup> 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.



Students who are not studying full-time may be eligible for a Student Allowance. This occurs if their education provider supports their application to study less than full-time for any one of the following reasons:

- the student has an illness, disability or some other sufficient cause beyond their control that stops them studying full-time
- it is considered in their best interests, or
- the student is studying more than half of a full-time course and the study will complete a recognised programme.

A student usually has a lifetime maximum of 200 weeks' entitlement to a Student Allowance. Once they have used this, they will cease to be eligible. A student may receive an extension to their 200-week limit if they:

- are enrolled in a Recognised Long Programme
- are retraining for employment in a programme of national interest, or
- need further weeks beyond the 200-week limit because of special circumstances.

From 1 January 2007, PhD and professional doctorates were added to the list of Recognised Long Programmes. This provided students undertaking these qualifications with 156 weeks of Student Allowances in addition to the standard 200 weeks.

### ***Income and residency tests***

Residency tests apply. To receive a Student Allowance, a student must be:

- a New Zealand citizen, or
- a permanent resident of New Zealand who has:
  - lived in New Zealand for at least two years, and
  - held permanent residency status for at least two years, or
- a refugee who is entitled to reside indefinitely in New Zealand.

Income tests are also applied to Student Allowances. These tests consider the income of the student and either:

- the student's spouse (if the couple had children or were both at least 24 years of age), or
- one or both of the student's parents (if the student was childless and under 24 years of age).

Prior to 1 January 2008, the age referred to in these income tests was 25 years, not 24 years.

Where there are special circumstances that mean it would be inappropriate to expect the student to receive support from one or both parents, the income of the student's parent(s) is not considered.

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 must meet an academic standard to continue to receive a Student Allowance***

In order to secure continued access to a Student Allowance, students must:

- meet course requirements
- pass more than half the work of a full-time course.

### **Payment rates**

A Student Allowance is available at different rates depending on the circumstances of the student. Compared with students living away from home, Student Allowance is paid at a reduced rate for students who are:

- living with one or both parents, or
- living in a recognised relationship with an earning partner.

Table SA.1 shows the maximum net rate (at tax rate "M") at which Student Allowances were paid between 1 April 2008 and 31 March 2009. The maximum rates of Student Allowances are adjusted each year by the Consumers Price Index with effect on 1 April each year.

table  
SA.1**Maximum payment rates for Student Allowances (effective from 1 April 2008)**

Type of Student Allowance	Status	Net Amount per week
<b>Single</b>		
16–24 years old parentally income tested <sup>1</sup>	Away from home	\$153.46
	At home	\$122.77
25 years old and over	Away from home	\$184.17
	At home	\$147.32
Independent circumstances allowance		\$153.46
Student with dependent child(ren)		\$263.78
<b>Couple</b>		
Both students	One eligible	\$184.17
	Both eligible (each)	\$153.46
Student with dependent partner, no children		\$306.92
Both students with dependent child(ren)	One eligible	\$263.78
	Both eligible (each)	\$153.46
Student with dependent partner and child(ren)		\$306.92
Student with earning partner	Away from home	\$99.11
	At home	\$66.53

## Note

- 1 Maximum amounts of Student Allowance available to single 16–24 year olds depend on the income of the student's parent(s). From these maximums, Student Allowances are abated for the student's personal income in the same way as for other students.

From 1 April 2008, the parental, personal and couple income thresholds were reviewed as part of the annual Consumers Price Index adjustment. There was also a one off 10% adjustment to the parental income threshold from 1 January 2008.

### **Trends in expenditure and the number of students receiving a Student Allowance**

#### ***Numbers receiving Student Allowances increased between 2005 and 2009***

This increase (see table SA.2) reflected:

- rising student numbers
- an increase in the threshold for the parental income test for students under 25 years (this made more students under 25 years eligible to receive an allowance).

Student Allowance numbers decreased slightly between 2004 and 2005.

#### ***Single students aged under 25 years formed a small majority of those receiving Student Allowances between 2006 and 2008***

Fifty-seven percent of Student Allowance recipients in 2008 were single and aged under 25 years (see table SA.2). This compared with 49% in 2005.

Over the same period, the proportion who were single and aged 25 years or over decreased slightly (from 30% to 26%).

table  
SA.2**Types of Student Allowances received**

Type of Student Allowance received	Students receiving Student Allowances <sup>1</sup>				
	2004 Number	2005 Number	2006 Number	2007 Number	2008 Number
Single – 16-24 years away from home	14,751	17,586	18,851	21,158	23,202
Single – 16-24 years at home	9,555	10,295	11,404	12,704	14,031
Single – 25 years old or over away from home	16,294	15,013	14,887	14,467	14,845
Single – 25 years old or over at home	1,977	1,873	1,959	1,987	2,110
Single – student in independent circumstances	7,599	2,438	2,187	2,121	2,071
Single – student with dependent child(ren)	1,771	1,522	1,542	1,572	1,583
Couple – both students <sup>2</sup>	1,897	1,543	1,684	1,622	1,279
Couple – student with dependent partner <sup>2</sup>	5,812	5,412	5,638	5,524	5,288
Couple – student with earning partner <sup>2</sup>	1,302	1,129	1,307	1,350	1,296
<b>Total</b>	<b>60,958</b>	<b>56,811</b>	<b>59,459</b>	<b>62,505</b>	<b>65,705</b>

## Notes

- 1 Numbers of students recorded as receiving Student Allowances during years ended 31 December.
- 2 Includes couples both with and without children.

**Expenditure on Student Allowances increased between 2005 and 2008**

These increases (see table SA.3) largely reflected changes in the number of students receiving Student Allowances.

table  
SA.3**Annual expenditure on Student Allowances**

	Expenditure on Student Allowances <sup>1</sup>				
	2004 Number	2005 Number	2006 Number	2007 Number	2008 Number
<b>Total expenditure (\$m)</b>	<b>341</b>	<b>318</b>	<b>341</b>	<b>358</b>	<b>370</b>

## Note

- 1 Expenditure on Student Allowances (excluding Accommodation Benefit) during years ended 31 December.

**Accommodation Benefits**

An Accommodation Benefit is a contribution toward accommodation costs faced by students. These benefits are paid under the Student Allowances Scheme, and are different from Accommodation Supplements paid by Work and Income.

Students are entitled to an Accommodation Benefit if they:

- are eligible for a Student Allowance
- live away from home.

A student is not entitled to an Accommodation Benefit if they (or their partner) rent a property owned or managed by Housing New Zealand Corporation.

The exact rate of Accommodation Benefit available depends on the region where the student lives. Maximum payments of Accommodation Benefit available are:

- \$60 per week for single students with a child or children
- \$40 per week for other students.

## Student Loans<sup>2</sup>

### What costs loans may cover

The Student Loan Scheme was introduced in 1992 to ensure that the costs of study are not a barrier to students undertaking tertiary study.

Accessibility of funds through Student Loans

Student loans are available to cover:

- course fees
- course-related costs (eg textbooks)
- living costs.

Limits have been established that prescribe maximum drawings that students may make from their Student Loan (see table SL.1).

table  
SL.1

### Maximum amounts available for Student Loans, by component (applicable over the 2008 academic year)

Component of Student Loan	Maximum amounts available
Course fees (annual) <sup>1</sup>	Total fee cost
Course-related costs (annual) <sup>2</sup>	\$1,000.00
Living costs (weekly) <sup>3</sup>	\$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 costs is reduced by some of the Training Incentive Allowance (available to some core benefit recipients) that is provided to pay course-related expenses.
- 3 Payment of living costs is restricted to periods when the student is studying full-time and is reduced by any Student Allowance payments received.

The living cost component of a Student Loan available is reduced by the amount of Student Allowance that student receives.

### Who is eligible to access a Student Loan?

A Student Loan is available to people who are:

- on a recognised programme at an approved education provider
- enrolled:
  - full-time or approved limited full-time
  - part-time and 32 weeks or longer, or
  - part-time and less than 32 weeks, with a course load of 0.25 Equivalent Full Time Study (EFTS) or more.

Students studying between 0.25 and 0.3 EFTS could access student loans (for fees only):

- between 1 January 2005 and 1 January 2007 if their course had a vocational or employment component
- from 1 January 2007 for all courses.

People who are not eligible to receive a Student Loan include those who are:

- currently bankrupt, or
- on a course already paid for by the Government (such as Training Opportunities).

People involved in the No Asset Procedure or subject to a Summary Instalment Order are eligible to receive a Student Loan.

2 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 that is supplied by the Ministry of Education, StudyLink and Inland Revenue.

***Income and residency tests***

To be eligible to access a Student Loan, students must be:

- New Zealand citizens
- permanent residents, or
- refugees who are entitled to reside indefinitely in New Zealand.

Student Loans are not income-tested.

***Eligibility to access Student Loans for some purposes is more restricted***

Some of the above groups are only eligible to access Student Loans to pay course fees. Others may also access Student Loans for course-related costs or living costs.

To access a Student Loan for living costs, students must meet the above eligibility criteria and be enrolled in a full-time or approved limited full-time course.

Students enrolled on courses that are part-time and 32 weeks or longer can only receive a loan for fees and course-related costs.

Students enrolled on courses that are part-time and less than 32 weeks long can only receive a Student Loan for fees.

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.

Recipients of main benefits may not be able to continue to receive these benefits when studying full-time. Those eligible to do so may be able to access Student Loans for compulsory fees and course-related costs, depending on the amount of any Training Incentive Allowance paid towards these.

***Note – Student Loan statistics below reflect drawings over the calendar year only***

This information does not reflect:

- drawings that these students may have made against Student Loans in earlier years, or
- total levels of debt that students have accumulated through the Student Loan Scheme.

**Numbers and characteristics of recipients*****Numbers of students using Student Loans increased between 2005 and 2008***

This increase (see table SL.2) reflected at least in part increased numbers of students enrolled for approved education or training.

***A large majority of students using Student Loans over this period drew less than \$10,000 per year***

Seventy-five percent of students making drawings in 2008 drew less than \$10,000 in that year (see table SL.2). This compared with 79% in 2005.

This slight decrease in the proportion drawing less than \$10,000 in a year is likely to reflect at least in part the impact of price inflation over this period.

table  
SL.2**Annual amount per student drawn against Student Loans**

Annual amount drawn	Students making drawings against Student Loans <sup>1</sup>				
	2004 Number	2005 Number	2006 Number	2007 Number	2008 Number
Under \$5,000	70,233	67,095	68,302	66,813	64,944
\$5,000–\$9,999	56,975	55,573	61,536	64,962	69,218
\$10,000–\$14,999	27,539	28,815	33,419	37,567	39,633
\$15,000–\$19,999	1,507	1,937	2,720	3,149	3,288
\$20,000–\$29,999	428	537	905	736	798
\$30,000–\$39,999	115	153	212	220	195
\$40,000–\$49,999	89	135	139	133	161
\$50,000 or over	146	166	187	211	296
<b>Total</b>	<b>157,032</b>	<b>154,411</b>	<b>167,420</b>	<b>173,791</b>	<b>178,533</b>

Note

1 Numbers of students recorded as making drawings against Student Loans during years ended 31 December.

***A minority of students using Student Loans between 2004 and 2008 were also receiving Student Allowances***

Between 2004 and 2008, around 30% of students using Student Loans were also receiving Student Allowances (see table SL.3). Of these, most were single, with many aged under 25 years.

table  
SL.3**Types of Student Allowances received by students making drawings against Student Loans**

Type of Student Allowance received when drawing made	Students making drawings against Student Loans <sup>1</sup>				
	2004 Number	2005 Number	2006 Number	2007 Number	2008 Number
Single – 16-24 years away from home	12,487	14,989	16,497	18,436	20,154
Single – 16-24 years at home	6,817	7,489	8,868	10,052	11,281
Single – 25 years old or over away from home	13,084	12,154	12,307	11,899	11,869
Single – 25 years old or over at home	1,480	1,407	1,521	1,577	1,649
Single – student in independent circumstances	6,590	1,993	1,915	1,745	1,656
Single – student with dependent child(ren)	1,449	1,254	1,289	1,227	1,235
Couple – both students <sup>2</sup>	1,611	1,263	1,429	1,303	986
Couple – student with dependent partner <sup>2</sup>	4,328	4,010	4,186	3,813	3,649
Couple – student with earning partner <sup>2</sup>	1,044	872	1,079	1,072	1,049
Not receiving any Student Allowance	108,142	108,980	118,329	122,667	125,005
<b>Total</b>	<b>157,032</b>	<b>154,411</b>	<b>167,420</b>	<b>173,791</b>	<b>178,533</b>

Notes

1 Numbers of students recorded as making drawings against Student Loans during years ended 31 December.

2 Includes couples both with and without children.

**Around half of the students accessing student loans are attending universities**

Between 51% and 53% of students accessing Student Loans are attending universities (see table SL.4). For years prior to 2007, table SL.4 includes those attending colleges of education among students attending universities.

Around another 20% of the students accessing Student Loans were attending institutes of technology and polytechnics (see table SL.4).

table  
SL.4**Types 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 <sup>1</sup>				
	2004 Number	2005 Number	2006 Number	2007 Number	2008 Number
University <sup>2</sup>	80,362	78,922	85,412	91,432	94,585
Institutes of technology and polytechnics	40,013	37,243	39,041	40,415	42,009
Private training establishments	28,459	30,633	36,256	35,270	35,151
Wānanga	4,587	4,466	3,544	3,477	3,422
Institute of technology/polytechnic and university <sup>2,3</sup>	1,242	1,079	1,060	1,113	1,185
Institute of technology/polytechnic and other institution <sup>2,3</sup>	1,072	842	916	879	981
University and other institution <sup>2,3</sup>	764	752	785	823	801
Other combination <sup>3</sup>	533	474	406	382	399
<b>Total</b>	<b>157,032</b>	<b>154,411</b>	<b>167,420</b>	<b>173,791</b>	<b>178,533</b>

## Notes

- 1 Numbers of students recorded as making drawings against Student Loans during years ended 31 December.
- 2 "University" includes colleges of education until 2007. Between 1991 and 2007, the colleges of education were incorporated into universities.
- 3 Students may enrol to study at more than one institution at the same time. In these cases, the table shows all types of institutions in which students were enrolled at the time of making a drawing against a Student Loan.

### Trends in the purpose of drawings against Student Loans

**Note – numbers of students using each component do not add to the total number of students making drawings**

Most students make drawings against more than one Student Loan component (eg course fees and living costs) during the same academic year. Adding numbers of students using each Student Loan component would count many students more than once.

**The number of students making drawings for each purpose increased between 2005 and 2008**

This increase (see table SL.5) reflects increases in the total number of students making drawings against Student Loans.

These increases may also reflect the removal of interest charges from most student loans from 1 April 2006.

table  
SL.5

#### Number of drawings made against Student Loan components

Student Loan component	Numbers of students making drawings against Student Loan components <sup>1</sup>				
	2004 Number	2005 Number	2006 Number	2007 Number	2008 Number
Course fees	145,549	143,406	156,236	160,855	166,112
Course-related costs	98,506	94,782	103,553	103,651	105,046
Living expenses	77,507	73,668	80,921	87,175	88,850

Note

1 Numbers of students making drawings against Student Loan components during years ended 31 December.



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## Scholarships

### Step Up Scholarships

The Step Up Scholarship Scheme was aimed at first time tertiary students from low-income backgrounds studying specified full-time bachelor degree courses.

Step Up Scholarships were piloted by StudyLink from 2004 and disestablished as part of Budget 2009. The last Step Up Scholarships were awarded in 2009. Students who have already been awarded a Step Up Scholarship will continue to receive it for the full tenure, as long as they continue to meet the terms and conditions of their scholarship.

The scholarship helps to pay the compulsory fees for specified full-time bachelor degree courses.

#### ***The scope of the Step Up Scholarship Scheme was expanded in 2008***

Step Up Scholarships were initially limited to students enrolled in specified degrees in:

- human or animal health, or
- science or technology.

The scheme was expanded in 2008 to include:

- any degree level course, or
- (for students who had successfully completed a tertiary qualification at a lower level) students commencing a specified degree.

In 2008, 642 scholarships were awarded.

#### ***Who was eligible to be considered for a Step Up Scholarship?***

To be awarded a Step Up Scholarship in 2008, a student needed to be:

- entitled to, and have applied for or be receiving, a Student Allowance
- under 25 years old at the start of their course.

In addition, they needed to be

- a first time tertiary student commencing a bachelor degree, or
- a student commencing a specified bachelor degree having successfully completed a lesser tertiary qualification.

To be awarded a Step Up Scholarship between 2004 and 2007, students needed to:

- be entitled to, and have applied for or be receiving, a Student Allowance
- have course costs of at least \$3,000 per year
- start each year of study between January and March
- be aged 16–24 years for human or animal health study, or have left secondary school within the last two years for science or technology study.

#### ***Terms and conditions of the scheme***

Recipients were required to:

- make a contribution towards their tuition fees for each year they received the scholarship
- stay in New Zealand for a period after completing their qualification.

Between 2004 and 2007, the requirement was for a contribution from the student of:

- \$2,000 per year for science and technology courses
- \$1,000 per year for human or animal health courses.

Following the expansion of the scheme in 2008, the contribution was set at \$1,000 per year for all recipients.

These contributions can be paid using a Student Loan.

Recipients who did not stay in New Zealand for the applicable period after completing their qualification were required to repay part of the scholarship.

### **Bonded Merit Scholarships**

Bonded Merit Scholarships recognised academic achievement and supported top tertiary students from the second year of their bachelor degree study. The aim of Bonded Merit Scholarships was to provide an incentive for high-achieving students to remain in New Zealand once they completed their study.

The Scholarship paid \$3,000 each year towards the recipient's course fees for a maximum of four years.

In 2008, 1,000 Bonded Merit Scholarships were awarded.

These scholarships were introduced in 2006 and disestablished as part of Budget 2009. The last Bonded Merit Scholarships were awarded in 2009. Students who have already been awarded a Bonded Merit Scholarship will continue to receive it for the full tenure, as long as they continue to meet the terms and conditions of their scholarship.

#### ***Who was eligible to be considered for a Bonded Merit Scholarship?***

To be eligible, a student had to have achieved a B-grade average or higher in the first year of their bachelor degree. Those awarded a Scholarship needed to maintain a B-grade average or higher to receive the payment in the following years.

#### ***Terms and conditions of the scholarship***

Students who received the Bonded Merit Scholarship were bonded to remain in New Zealand for a period after they completed their degree.

Recipients were required to repay a portion of the scholarship if they:

- did not successfully complete their study, or
- did not remain in New Zealand for the applicable period after completing their qualification.

### **Other scholarships**

StudyLink is responsible for administering the payments for the following scholarships:

- Family and Community Services (FACS) Study Awards
- New Zealand Qualifications Authority (NZQA) Monetary Awards<sup>3</sup>
- TeachNZ.

Recipients for these scholarships are decided by FACS, NZQA and Ministry of Education respectively.

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<sup>3</sup> These were known as the Top Scholar Scheme between 2005 and 2007. The Top Scholar Scheme replaced "A" and "B" Bursaries in 2005.

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## Benefits available to students

### Main benefits through StudyLink

StudyLink primarily administers and assesses eligibility for Unemployment Benefits – Student – Hardship.

StudyLink also assesses the eligibility for Unemployment 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.

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### Unemployment Benefits – Student – Hardship

Unemployment Benefits – Student – Hardship are paid weekly to help students meet living costs during their study breaks. The amount paid depends on the student's personal situation such as age, living arrangements, income and assets.

To qualify for an Unemployment Benefit – Student – Hardship, students need to be:

- aged 18 years or over
- aged 16–17 years and living with a partner, or
- aged 16–17 years and approved for the Independent Circumstances Allowance administered by StudyLink.

In addition, 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
- register with Student Job Search or Work and Income as part of their search for work.

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### 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
- 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).

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### Student Job Search

MSD contracts Student Job Search to:

- provide assistance to tertiary students looking for holiday and in-term employment
- assist in the administration of the Unemployment Benefit – Student – Hardship.

Work and Income also assists students in areas where Student Job Search is not available.

## Student Allowance Transfer Grant

### *What are Student Allowance Transfer Grants?*

Student Allowance Transfer Grants are available to clients (or their partners) if they are in hardship during the stand-down week between ceasing Student Allowance and starting to receive a main benefit.

These grants are non-recoverable and non-taxable.

These grants were introduced on 1 October 2002.

### *Who can receive Student Allowance Transfer Grants?*

To qualify for a grant, clients must be applying for a main benefit because their Student Allowance will stop for one of the following reasons:

- the client is no longer a secondary or tertiary student
- the client is sick, injured or on a break of three weeks or more
- the client's course of study has ended, or
- the tertiary provider has lost their accreditation.

In addition, 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).

Clients must apply for a Student Allowance Transfer Grant before the end date for which a Student Allowance is payable, or within five working days after this date.

### *Income and asset tests apply*

The income and asset limits for these grants depend on the circumstances of the client (see table TG.1).

table  
TG.1

### **Asset and income limits for Student Allowance Transfer Grants (applicable from 1 April 2009)**

Circumstances of client <sup>1</sup>	Income limit <sup>2</sup>	Asset limit <sup>3</sup>
Married couple, without dependent children	\$384.02	\$952.21
Married couple, with dependent children	None	\$1,586.63
Sole parent, with one child	None	\$1,250.28
Sole parent, with two or more children	None	\$1,343.07

#### 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 2009.

3 Asset limits at 1 April 2009.

### *Payment rate for Student Allowance Transfer Grants*

The amount of the grant payable is one week of the main benefit applied for (after tax), less:

- any abatement due to income
- the amount of any other assistance received for ordinary living expenses (eg for food).

## Trends in the number of Student Allowance Transfer Grants provided

### *Numbers of grants paid remained relatively unchanged in 2008/09*

This followed decreases between 2004/2005 and 2007/2008 (see table TG.1). The flattening of this decrease in 2008/2009 reflected at least in part increases in numbers granted main benefits.

***Almost all of the recipients of grants provided between 2004/2005 and 2008/2009 were taking up unemployment-associated benefits***

Over 90% of the grants provided over this period were provided to students who were transferring from a Student Allowance to an unemployment-associated benefit (see table TG.2). 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  
TG.2

**Trends in the types of main benefit applied for by clients granted a Student Allowance Transfer Grant**

Type of main benefit applied for when Student Allowance Transfer Grant granted	Student Allowance Transfer Grants provided <sup>1</sup>				
	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number
Unemployment-associated benefits <sup>2</sup>	1,861	1,454	1,229	1,021	1,023
Carer's benefits <sup>3</sup>	67	64	64	54	62
Sickness-related benefits <sup>4</sup>	37	29	17	22	23
Invalid's Benefit	0	0	6	1	1
Widow's Benefit	1	0	0	0	1
Emergency Benefit	8	6	5	3	3
No main benefit <sup>5</sup>	11	4	9	9	10
<b>Total</b>	<b>1,985</b>	<b>1,557</b>	<b>1,330</b>	<b>1,110</b>	<b>1,123</b>

Notes

- 1 Numbers of Student Allowance Transfer Grants provided in years ended June.
- 2 Comprises Unemployment Benefits, Unemployment Benefits – Hardship, Unemployment Benefits – Training, Unemployment Benefits – Hardship – Training, Unemployment Benefits – Student – Hardship, and Independent Youth Benefits paid to clients aged 18 years or over.
- 3 Comprise Domestic Purposes Benefits – Sole Parent, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone and Emergency Maintenance Allowances.
- 4 Comprise 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**

***Expenditure on these grants increased between 2007/2008 and 2008/2009***

This increase (see table TG.3) reflects:

- increased numbers of grants
- the continuation of increases in average payment levels which were evident from 2005/2006 to 2008/2009.

This increase followed three years of decreases.

table  
TG.3

**Trends in annual expenditure on Student Allowance Transfer Grants**

	Expenditure on Student Allowance Transfer Grants <sup>1</sup>				
	2004/2005 Amount	2005/2006 Amount	2006/2007 Amount	2007/2008 Amount	2008/2009 Amount
<b>Total expenditure (\$000)</b>	<b>495</b>	<b>380</b>	<b>327</b>	<b>278</b>	<b>294</b>
<b>Average value per payment (\$)</b>	<b>\$249</b>	<b>\$244</b>	<b>\$246</b>	<b>\$251</b>	<b>\$261</b>

Note

- 1 Expenditure on Student Allowance Transfer Grants recorded in SWIFTT during the year ended June.

## Child, Youth and Family Services

### Background

The Department of Child, Youth and Family was created on 1 October 1999. The Department was 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
- approval and contracting of social and welfare services.

Prevention services cover:

- provision of education and advice services for the prevention of child abuse and neglect
- 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.

#### ***Note – ongoing improvements in data collection, recording and reporting***

In 2008, MSD completed improvements to CYF's client information management system to ensure more consistent reporting of data. Comparisons of demographic data over several years should be treated with caution. This is due to the significant number of clients with unrecorded demographic details in earlier years.

In 2009, age groupings used in this report were standardized to conform with information published in other sources. Information below concerning the period before 1 July 2008 may differ from that published in earlier editions of this report.

## Children and young people assisted by Child, Youth and Family

### *When and how are children and young people assisted by CYF?*

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. 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

#### *Numbers of CYF clients decreased slowly between 2005 and 2009*

This decrease slowed between 2007 and 2008, but accelerated again in 2009 (see table CY.1).

#### *Over this period, over two-fifths of CYF clients were aged 5–13 years*

Over this period (see table CY.1):

- around 44% of clients were aged 5–13 years
- between 21% and 24% were aged under five years.

table  
CY.1

### Ages of Child, Youth and Family clients

Age of client	Number of clients <sup>1</sup>				
	2005 Number	2006 Number	2007 Number	2008 Number	2009 Number
0–1 year	2,162	2,219	2,320	2,492	2,523
2–4 years	4,048	3,843	3,829	3,985	3,823
5–9 years	7,312	6,913	6,611	6,441	6,295
10–13 years	6,086	5,712	5,494	5,510	5,182
14–17 years	7,207	7,389	7,177	7,168	6,557
18 years or over	1,330	1,490	1,610	1,679	1,782
Not recorded	1,711	1,346	851	287	251
<b>Total</b>	<b>29,856</b>	<b>28,912</b>	<b>27,892</b>	<b>27,562</b>	<b>26,413</b>

Note

1 Number of clients of care and protection, or youth justice services as at 30 June.

## Prevention services

### **These services cover 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
- campaigns such as the “Never, ever shake a baby” campaign launched during 2009.

More information is available on the CYF website.

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## Social work services

### ***What is a notification?***

When a concern is expressed to CYF that a child or young person may be at risk of abuse, neglect or insecurity of care, CYF record a notification. CYF also receives notifications when there are concerns regarding a young person's behaviour.

### ***Who makes notifications to CYF?***

A range of people contact CYF with concerns about the safety or behaviour of children or young people. These include:

- parents and family/whānau
- members of the local community
- schools
- police and other agencies.

### ***How are notifications dealt with?***

Whenever a notification is made, the information is assessed by a CYF social worker. This assessment determines whether or not a family or 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 or young person
- 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 notifications received increased between 2006/2007 and 2008/2009***

This increase (see table CY.2) highlighted:

- New Zealand's increased awareness of the need for care and protection of children
- a growing willingness by communities to contact CYF where there are concerns for a child's welfare.

The number of notifications which required further action following an initial investigation increased between 2007/2008 and 2008/2009 (see table CY.2). This followed a decrease over the previous two years.

### ***Between 2006/2007 and 2008/2009, notifications received became less likely to require further action***

Forty-four percent of notifications received in 2008/2009 required further action (see table CY.2). This compared with 61% in 2006/2007.

Of the notifications requiring further action (see table CY.2):

- over one-third involved children aged 10–17 years
- around one-third involved children under five years.



table  
CY.2**Ages of children and young people identified in care and protection notifications received**

Age of child or young person identified in the notification <sup>1</sup>	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number
	<b>Notifications requiring further action</b>				
0–1 year	5,179	6,543	6,289	6,145	8,070
2–4 years	7,554	8,863	8,135	7,583	9,477
5–9 years	11,880	13,216	12,469	11,330	13,802
10–13 years	9,709	10,113	9,507	8,869	10,226
14–17 years	6,199	6,700	6,184	5,612	6,299
18 years or over	33	37	34	36	43
Not recorded	1,045	1,069	1,227	1,164	1,307
<b>Total requiring further action</b>	<b>41,599</b>	<b>46,541</b>	<b>43,845</b>	<b>40,739</b>	<b>49,224</b>
	<b>Notifications not requiring further action</b>				
<b>Total not requiring further action</b>	<b>8,889</b>	<b>16,198</b>	<b>28,082</b>	<b>48,722</b>	<b>61,573</b>
	<b>All care and protection notifications received</b>				
<b>Total notifications received</b>	<b>50,488</b>	<b>62,739</b>	<b>71,927</b>	<b>89,461</b>	<b>110,797</b>

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.

**Trends in the findings of the investigation of care and protection notifications*****Between 2006/2007 and 2008/2009, abuse or neglect was found in around two-fifths of the investigations following from notifications***

Over this period, between 37% and 41% of investigations led to findings of abuse or neglect (see table CY.3).

The number of investigations where abuse or neglect was found:

- increased between 2007/2008 and 2008/2009
- remained unchanged between 2006/2007 and 2007/2008.

Between 2006/2007 and 2008/2009, a further 10% of investigations found behavioural or relationship difficulties. A very small number of investigations found self-harm or suicidal behaviour.

***Between 2004/2005 and 2008/2009, emotional abuse accounted for an increasing proportion of abuse or neglect findings***

Fifty-six percent of abuse and neglect findings in 2008/2009 were of emotional abuse (see table CY.3). This compared with 37% in 2004/2005.

The proportions of abuse and neglect findings that were in each other category fell.

table  
CY.3**Findings of investigations of care and protection notifications requiring further action<sup>1,2</sup>**

Type of finding	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number
Findings from investigations of care and protection notifications <sup>1,2</sup>					
Emotionally abused	4,592	6,142	8,256	8,664	10,938
Physically abused	2,351	2,336	2,274	2,321	2,855
Sexually abused	1,424	1,291	1,194	1,003	1,126
Neglected	4,074	4,199	4,486	4,302	4,677
Behavioural/relationship difficulties	4,355	4,657	4,461	4,154	4,256
Self-harm/suicidal	173	172	138	116	106
Not found	23,388	26,011	22,921	19,334	25,486
<b>Total findings from investigations</b>	<b>40,357</b>	<b>44,808</b>	<b>43,730</b>	<b>39,894</b>	<b>49,444</b>

## Notes

- 1 Findings of investigations completed in years ended 30 June. Numbers may not relate to notifications received in that year.
- 2 Number of investigation findings may not relate to:
  - a numbers of children or young people (as there may be more than one investigation related to the same individual in the same year)
  - b numbers of notifications assessed as requiring further action (as one investigation may address more than one such notification), or
  - c numbers of investigations (as multiple findings may result from one investigation).

**Care and Protection Family Group Conferences**

This section excludes information about Youth Justice Family Group Conferences, which are reported on separately.

**What is a Family Group Conference?**

The Family Group Conference (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 FGC is at the heart of the Children, Young Persons, and their Families Act (1989). It recognises that families have the main responsibility for caring for their children and protecting them from harm. At times, though, families may need help.

**What do Care and Protection Family Group Conferences do?**

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 includes setting out how the plan will be followed and monitored through to completion.

**Trends in the number of Care and Protection Family Group Conferences held****The number of Care and Protection Family Group Conferences increased between 2006/2007 and 2008/2009**

This growth (see table CY.4) largely reflected increasing numbers of new conferences. Numbers of reconvened and review conferences held essentially steady.

Increased numbers of conferences reflected the increased emphasis on:

- working with the family/whānau
- ensuring they are supported to develop their own solutions to the issues they face.

***In 2008/2009 new Care and Protection Family Group Conferences became slightly more likely to be concerned with children aged under five years***

Thirty-seven percent of new conferences held in 2008/2009 were concerned with children aged under five years (see table CY.4). This compared with 34% in each of the previous two years.

Over one-third (between 36% and 39%) of new conferences held between 2006/2007 and 2008/2009 were concerned with children aged 10–17 years (see table CY.4).

table  
CY.4

**Ages of children and young people involved in Care and Protection Family Group Conferences**

Age of child or young person when conference held	2006/2007 Number	2007/2008 Number	2008/2009 Number
	Number of new conferences held <sup>1,2</sup>		
0–1 year	761	787	1,026
1–4 years	727	867	1,000
5–9 years	1,144	1,234	1,393
10–13 years	940	1,089	1,092
14–17 years	798	830	891
18 years or over	5	4	5
Not recorded	50	55	74
<b>Total new conferences held</b>	<b>4,425</b>	<b>4,866</b>	<b>5,481</b>
	Number of other conferences held <sup>1,2</sup>		
Reconvened conferences	702	824	853
Review conferences	1,110	1,552	1,333
<b>Total other conferences held</b>	<b>1,812</b>	<b>2,376</b>	<b>2,186</b>
	All conferences held <sup>1,2</sup>		
<b>Total conferences held</b>	<b>6,237</b>	<b>7,242</b>	<b>7,667</b>

Notes

- 1 Numbers of conferences held during the years ended 30 June.
- 2 Numbers 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.

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## Care services

### **When are care services used?**

In some situations the CYF social worker's 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:

- care and protection concerns for the child or young person remain
- these concerns cannot be addressed by working with the family whilst the child or young person remains in their care.

### **How do care services work?**

The current focus of care services includes:

- keeping extended family as the first option for care if children and young people cannot live with their parents
- a strengthening of support services to caregivers
- appropriate support and services to disabled children and young people, improving outcomes through effective interventions
- improving our understanding of the needs of the child or young person, and matching them with carers with the right skills
- working with the Ministries of Education and Health to strengthen their services to children in care
- permanency for children and young people.

A focus on extended family as the first option for care increases the likelihood of children and young people being in the care of their family or whānau.

Care services in New Zealand are underpinned by the principles (13, 5 and 6) in Children, Young Persons, and Their Families Act (1989). The 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, whānau, hapū, iwi or 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.<sup>4</sup>*

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4 CYF Practice Centre – Caring for Children Policy

***What options are available for the care of children or young people?***

In all situations it is preferable for the placement of the child/young person to be with their family or a member of their extended family.

A placement outside the family will only occur when there are no suitable family/whānau, hapū or iwi placements available.

Family homes provide short-term placements in a family environment for children and young people in the custody of the Chief Executive of MSD. Most of these homes are operated by CYF-approved family home foster carers. The remainder are used by non-government providers to deliver a range of programmes and interventions.

Residential care is an institutional intervention and only used in extreme circumstances. Children and young people are only placed into residential care when:

- it is impossible to have their needs met within the community
- safe contained care is required.

**Care and protection placements*****The number of children and young people in care decreased between 2007 and 2009***

This decrease (see table CY.5) slowed between 2008 and 2009.

***Over this period, over two-fifths of children in care were placed with family or whānau...***

Of the children and young people in care between 2007 and 2009:

- around 43% were placed with family or whānau
- around 35% were placed with CYF caregivers
- around 14% were receiving care through CYF bednights in family homes or caregiver homes.

CYF bednights are provided to a child or young person in the custody of the Chief Executive of MSD or of Child and Family Support Services. Care is provided in family homes or caregiver homes by CYF caregivers or caregivers working for non-government providers. Many of these caregivers have specialist skills to provide for children with complex or high needs.

table  
CY.5**Types of placements of children and young people in care**

Placement type	Number of children and young people in care <sup>1</sup>		
	2007 Number	2008 Number	2009 Number
CYF bednights	703	667	659
CYF caregiver placement	1,824	1,523	1,540
Family home placement	218	177	168
Others	78	128	111
Residential placement – CYF residence	57	45	34
Family/whānau placement	2,164	1,982	1,896
<b>Total</b>	<b>5,044</b>	<b>4,522</b>	<b>4,408</b>

Note

1 Number of children and young people in care as at 30 June.

**...and around half were aged 10–17 years**

Of the children and young people in care between 2007 and 2009 (see table CY.6):

- around half (48%–50%) were aged 10–17 years
- 27% were aged 5–9 years
- around 24% were aged under five years.

table  
CY.6**Ages of children and young people in care**

Age of child or young person	Number of children and young people in care <sup>1</sup>		
	2007 Number	2008 Number	2009 Number
0–1 year	449	398	421
2–4 years	747	660	664
5–9 years	1,370	1,197	1,175
10–13 years	1,248	1,204	1,122
14–17 years	1,202	1,044	1,011
18 years or over	28	19	15
<b>Total</b>	<b>5,044</b>	<b>4,522</b>	<b>4,408</b>

Note

1 Numbers of children and young people in care at 30 June.

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## Youth justice services

### Family Group Conference process

Family Group Conferences are a key part of the youth justice services provided by CYF.

#### *What is a Youth Justice Family Group Conference?*

Youth Justice Family Group Conferences (FGC's) are convened to address offending by children and young people.

The FGC is the key mechanism through which young people can be diverted from the court system when appropriate.

#### *When does the Family Group Conference process apply to a young offender?*

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 do not become involved in the youth court process and/or FGCs.

#### *What do Youth Justice Family Group Conferences involve?*

The FGC is a formal meeting between:

- the young offender
- their youth advocate
- members of the family group/whānau/hapū/iwi
- the enforcement officer
- any victims of the young person's offending.

The FGC seeks to decide how the young offender can be:

- supported to address their offending
- encouraged to take responsibility for their behaviour.

The aim of the FGC is to:

- identify ways in which the young person can be supported
- reduce the likelihood of future re-offending.

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## Trends in the number of Youth Justice Family Group Conferences held

### *Numbers of Youth Justice Family Group Conferences decreased between 2007/2008 and 2008/2009*

This decrease (see table CY.7) followed a slight increase between 2006/2007 and 2007/2008.

Of the conferences held between 2006/2007 and 2008/2009, around 85% were new conferences.

### *Virtually all new Youth Justice Family Group Conferences held over 2006/2007 to 2008/2009 were concerned with young offenders aged 14–17 years*

Ninety-seven percent of the new Youth Justice FGCs held over this period were concerned with young offenders aged 14–17 years (see table CY.7).

table  
CY.7**Ages of young offenders involved in Youth Justice Family Group Conferences**

Age of child or young person	2007 Number	2008 Number	2009 Number
	<b>Number of new conferences held<sup>1,2</sup></b>		
10–13 years	196	219	204
14–17 years	7,571	7,723	7,225
18 years or over	13	10	8
Not recorded	23	12	2
<b>Total new conferences held</b>	<b>7,803</b>	<b>7,964</b>	<b>7,439</b>
	<b>Number of other conferences held<sup>1</sup></b>		
Reconvened conferences	1,242	1,113	1,172
Review conferences	114	119	118
<b>Total other conferences held</b>	<b>1,356</b>	<b>1,232</b>	<b>1,290</b>
	<b>All conferences held<sup>1,2</sup></b>		
<b>Total conferences held</b>	<b>9,159</b>	<b>9,196</b>	<b>8,729</b>

## Notes

- 1 Numbers of conferences held in the years ended June.
- 2 Numbers 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.
- 3 Age of child or young person is as at the time of the Family Group Conference, and may not reflect their age at the time of the offending which led to the conference.

**Family/whānau agreement process*****What are family/whānau agreements?***

Family/whānau agreements are voluntary agreements between CYF and the family/whānau.

They are used to address concerns about the safety and protection of a child or young person when CYF staff believe the family or whānau would benefit from a short period of ongoing support.

***What does a family/whānau agreement cover?***

The agreement is for the provision of CYF services to the child or young person and their family. The services supplied under the agreement are selected to ensure the well-being of the child or young person.

These agreements:

- are for the minimum level of intervention required to ensure the safety and protection of the child or young person
- are time-limited
- involve specific tasks (for CYF, for the child or young person, and for the family or whānau)
- outline specific resources to be used in completing those tasks
- have a measurable goal and outcome.



***The number of family/whānau agreements signed fluctuated between 2006/2007 and 2008/2009***

This fluctuation (see table CY.8) followed an increase between 2004/2005 and 2006/2007.

***Around half of the agreements signed between 2004/2005 and 2008/2009 concerned children between 5–13 years of age***

This included (see table CY.8):

- around 29% concerned with children aged 5–9 years
- between 21% and 24% concerned with children aged 10–13 years.

Over the same period, the proportion of agreements concerned with children aged under two years increased slightly (from 14% to 17%). This reflects in part an increased focus by CYF on ensuring the safety and protection of vulnerable infants.

table  
CY.8

**Trends in the number of family/whānau agreements signed**

Age of child when agreement signed	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number
0–1 year	413	446	590	631	799
2–4 years	573	640	796	742	873
5–9 years	836	1,001	1,292	1,138	1,330
10–13 years	713	738	976	810	988
14–17 years	459	533	727	567	593
18 years or over	2	4	3	8	10
Not recorded	14	30	36	52	78
<b>Total agreements signed</b>	<b>3,010</b>	<b>3,392</b>	<b>4,420</b>	<b>3,948</b>	<b>4,671</b>

## 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.

## Other Services

### Community Services Cards

#### ***What is the Community Services Card?***

The Community Services Card entitles the holder to:

- higher subsidies for after hours and out-of-town general practitioner's (doctor's) fees than are otherwise available
- subsidised access to some other health services provided by public hospitals
- access a number of other health services.

#### ***Who can receive a Community Services Card?***

To receive a Community Services Card, a person must be receiving a low to middle income.

This may be from:

- income support, including main benefits and Student Allowance
- New Zealand Superannuation or a pension, or
- employment, business or investment income.

Residency tests must also be met.

#### ***Some people receive cards automatically, while others need to apply***

A Community Services Card is automatically issued to people receiving income-tested financial assistance. Many students in receipt of a Student Allowance are also issued cards automatically.

An application for a Community Services Card is required from:

- people who are working
- people receiving New Zealand Superannuation.

Applications are needed from these people in order to complete the income test for a card. Many eligible applicants have their cards automatically renewed once the first application has been made.

#### ***What services from doctors are cards used for?***

Treatment and prescriptions can be received at reduced costs by using the card.

#### ***Doesn't everyone have low-cost access without a card through their own doctor?***

From 1 July 2007 everyone enrolled with a Primary Health Organisation (PHO) has received low or reduced cost services from their own PHO without using a card.

People use cards when they:

- are seeking treatment away from home
- need to access urgent medical care from an accident and medical centre, or other after-hours service provider
- are new patients enrolled with a primary health care provider, including those patients who are changing from one PHO practice to another.

Without a card, these patients would be treated as casual patients and charged a higher fee for services.

***What other services can be obtained using a Community Services Card?***

Other services are targeted using the card. These include:

- family planning – cardholders aged 22 years and over are charged a reduced co-payment of \$5 for a general consultation
- National Travel Assistance – cardholder status is considered in conjunction with travel distance and age to qualify for National Travel Assistance
- oral health – emergency dental services (for relief of pain and infection) are provided either free or at a reduced cost to cardholders. For many low-income people, this is their only access to dental care
- home help – District Health Boards (DHBs) and MSD use the card to target access to home help for people, following a needs assessment by a Needs Assessment and Service Co-ordination agency
- spectacle subsidy for children – the Ministry of Health pays up to \$250 (GST excl) per year towards the price of spectacles and eye examinations for children 15 years and under who are covered by a Community Services Card
- other health services targeted to cardholders by individual DHBs – 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
- home insulation – government agencies target households including one or more cardholders for the provision of retrofitting insulation in houses
- 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.

Some local councils and private organisations also offer discounts to Community Services Card holders. The number of local councils and private organisations that 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 cards on issue increased between 2008 and 2009*

This increase (see table CS.1) resulted from more students and benefit recipients holding cards. This in turn reflected the impact of:

- growth in numbers receiving main benefits, as a result of the 2008–2009 recession
- an increase in the income level below which people may receive a card
- increased numbers of students enrolled in tertiary study.

The increase between 2008 and 2009 followed three years of decreases.

### *Between 2008 and 2009, cardholders became slightly more likely to be benefit recipients*

Forty percent of people holding Community Services Cards in 2009 were receiving main benefits (see table CS.1). This compared with 36% in 2008.

This change reflects an increase in numbers receiving main benefits.

There was a corresponding fall in the proportion of cardholders who were receiving New Zealand Superannuation (from 30% to 26%).

table  
CS.1

## Categories of clients holding Community Services Cards

Category of clients	Community Services Cards on issue <sup>1</sup>				
	2005 Number	2006 Number	2007 Number	2008 Number	2009 Number
Low-income earners and students not receiving Student Allowance <sup>2</sup>	75,640	68,055	54,598	43,185	34,333
Family Support/Family Tax Credit recipients <sup>3</sup>	130,874	152,782	175,826	189,114	189,514
Veteran's Pension recipients	5,169	6,773	6,822	7,843	9,198
Students <sup>2</sup>	43,660	41,817	47,930	36,542	45,941
Main benefit recipients <sup>4</sup>	409,608	397,666	330,456	330,697	371,789
New Zealand Superannuation recipients <sup>5</sup>	305,810	301,883	272,171	275,006	240,276
Residential Care Subsidy recipients	19,419	21,022	17,509	16,255	20,566
Families not receiving Family Support/Family Tax Credits	24,260	23,526	18,780	12,425	12,191
<b>Total</b>	<b>1,014,440</b>	<b>1,013,524</b>	<b>924,092</b>	<b>911,067</b>	<b>923,808</b>

### Notes

- 1 Numbers 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, if any.
- 2 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.
- 3 "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.
- 4 "Main benefit recipients" includes students receiving an Unemployment Benefit – Student – Hardship or an Emergency Benefit, and includes children in receipt of a Disability Allowance who receive their own card.
- 5 Because of income testing of Community Services Cards, not all recipients of New Zealand Superannuation are eligible to receive a card.

### Trends in the number of Community Services Cards manually issued and renewed

#### *The number of new cards manually issued decreased between 2007/2008 and 2008/2009*

This is in line with decreases over the previous two years (see table CS.2).

Fifty-four percent of the new cards manually issued in 2008/2009 were provided to recipients of the Working for Families Tax Credit, the same as in 2007/2008.

#### *The number of renewed cards manually issued decreased between 2007/2008 and 2008/2009*

This is in line with decreases over the previous three years (see table CS.2). This is largely due to a decrease in manual renewals for recipients of New Zealand Superannuation and families not receiving Family Support/Family Tax Credit.

This reflects an increase in New Zealand Superannuation recipient cards being automatically renewed and families not receiving Family Support/Family Tax Credit receiving benefit cards due to the recession.

table  
CS.2

### Numbers of manual applications and renewals of Community Services Cards

Type of new and renewed Community Services Cards	Community Services Cards manually processed <sup>1,2</sup>				
	2004/2005 Number	2005/2006 Number	2006/2007 Number	2007/2008 Number	2008/2009 Number
	<b>New cards<sup>1</sup></b>				
Low-income earners and students	48,672	41,951	34,508	26,378	23,389
Family Support/Family Tax Credit recipients <sup>3</sup>	41,331	53,590	60,511	52,926	51,023
New Zealand Superannuation recipients	10,645	13,018	11,226	8,815	11,866
Families not receiving Family Support/Family Tax Credit	16,481	15,698	14,064	9,627	8,269
<b>Total new cards</b>	<b>117,129</b>	<b>124,257</b>	<b>120,309</b>	<b>97,746</b>	<b>94,547</b>
	<b>Renewed cards<sup>2</sup></b>				
Low-income earners and students	41,097	35,177	30,455	23,384	19,887
Family Support/Family Tax Credit recipients <sup>3</sup>	0	0	0	0	0
New Zealand Superannuation recipients	6,970	5,535	3,078	9,380	1,835
Families not receiving Family Support/Family Tax Credit	6,548	5,979	5,372	4,426	1,571
<b>Total renewed cards</b>	<b>54,615</b>	<b>46,691</b>	<b>38,905</b>	<b>37,190</b>	<b>23,293</b>
	<b>All cards manually processed<sup>1,2</sup></b>				
<b>Total (includes issue of renewed cards)</b>	<b>171,744</b>	<b>170,948</b>	<b>159,214</b>	<b>134,936</b>	<b>117,840</b>

#### Notes

- 1 Numbers of new Community Services Cards manually processed in years ended June.
- 2 Numbers of Community Services Cards manually renewed in years ended June.
- 3 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.

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## SuperGold Cards

### ***What is the SuperGold Card?***

The SuperGold Card is a discount and concessions card issued to all eligible seniors and veterans. It is issued in recognition of the contribution they have made, and continue to make, to New Zealand society.

The SuperGold Card was launched on 29 August 2007. It:

- gives access to discounts from a wide range of businesses nationwide
- facilitates easy access to government entitlements and to local authority services and concessions.

### ***Who is eligible for a SuperGold Card?***

In order to be eligible for a SuperGold Card a person must be:

- aged 65 years or over, or
- aged under 65 years and receiving either:
  - a Veteran's Pension (in their own right or as a non-qualified spouse), or
  - New Zealand Superannuation as a non-qualified spouse.

Residency tests must also be met.

### ***SuperGold Cards expire after three years***

SuperGold Cards issued are valid for three years.

### ***Photo SuperGold cards are available***

Seniors can choose to have a photo on their card. The production of photo SuperGold Cards is jointly managed by Unisys and by Automobile Association centres around New Zealand.

### ***Community Services Cards and SuperGold Cards are combined for users of both cards***

Recipients of New Zealand Superannuation may be granted both a Community Services Card (CSC) and a SuperGold Card and receive a combined card. These clients have their CSC details printed on the reverse of their SuperGold Card.

When renewing a SuperGold Card that includes CSC entitlement, clients must complete an income assessment. This confirms that they are still eligible for the Community Services Card.

### ***The number of business partners accepting SuperGold Cards is growing***

When the SuperGold Card was launched there were 188 business partners providing discounts through 2,215 outlets around the country. As at 30 June 2009 there were 1,102 business partners and 5,089 outlets.

## Trends in numbers of SuperGold Cards on issue

### *Numbers of SuperGold Cards on issue increased between 2008 and 2009*

This increase (see table SG.1) reflected:

- ongoing uptake of the cards
- ageing of the population, which means more people becoming eligible for the cards.

58% of cards on issue at the end of June 2009 included an entitlement to a Community Services Card (see table SG.1).

table  
SG.1

### Categories of current SuperGold Card holders

SuperGold Cards with and without Community Services Card inclusion	2008	2009
SuperGold Card with Community Services Card inclusion	304,102	309,644
SuperGold Card with no Community Services Card entitlement	203,431	227,288
<b>Total SuperGold Cards on issue</b>	<b>507,533</b>	<b>536,932</b>

Included in the above cards on issue as at June 2009 was a total of 10,248 photo SuperGold Cards.

### *The numbers of cards issued decreased between 2007/2008 and 2008/2009*

This decrease (see table SG.2) was from 2007/2008 figures which were inflated due to the bulk issuing of cards to all clients aged 65 years and over at launch of the programme in late August 2007.

table  
SG.2

### Number of SuperGold Cards issued

SuperGold Card applications	2007/2008	2008/2009 <sup>1</sup>
SuperGold Card applications manually processed	954	3,502 <sup>1</sup>
SuperGold Cards automatically issued	606,626	365,786
<b>Total SuperGold Cards produced to 30 June</b>	<b>607,580</b>	<b>369,288</b>

Note

- 1 Transport concessions from October 2008 resulted in an increase in card applications from residentially qualified people who were not eligible for New Zealand Superannuation.

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## Integrity Services

### Fraud Investigations

The Fraud Investigations<sup>5</sup> unit and the Integrity Intervention unit provide services to assure the integrity of the benefit system.

#### *How is fraud minimised and investigated?*

These units use an intelligence-led approach to benefit fraud and abuse. This approach involves:

- scanning the environment for emerging threats
- using risk profiles to identify areas of vulnerability
- analysing the results of fraud investigations for future work.

This approach allows efficient and effective targeting of clients who are most likely to commit benefit fraud or to abuse the benefit system.

MSD investigates all suspected cases of hard-end, high-risk fraud, with a focus on ensuring that clients receive their correct entitlement to benefit. Where medium or low-risk fraud is suspected, the entitlement of the client to benefits is also reviewed.

MSD does not tolerate any form of benefit fraud. In every case, MSD will:

- seek to recover all overpayments resulting from fraud and abuse
- actively seek to prosecute clients where there is evidence of premeditated fraud.

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## Trends in Fraud Investigations cases investigated and overpayments identified

### *Numbers of fraud cases decreased between 2004/2005 and 2008/2009*

Tackling benefit fraud is an ongoing priority. Although the volume of cases reviewed reduced between 2004/2005 and 2008/2009 (see table IS.1), the value of overpayments identified has fluctuated.

### *The fraud cases being investigated have become more complex and difficult to prove*

This reflects, at least in part, an increase in the proportion of fraud cases that involve clients living as married while claiming benefits as a single person or sole parent.

### *Between 2004/2005 and 2008/2009, Domestic Purposes Benefit recipients accounted for an increased proportion of fraud cases and of fraudulent overpayments*

Forty-one percent of fraudulent overpayments in 2008/2009 involved Domestic Purposes Benefit, compared with 31% in 2004/2005. The proportion of fraud prosecutions that involved Domestic Purposes Benefits clients also increased over this period (from 32% to 53%).

Over the same period, Unemployment Benefit clients accounted for a decreasing proportion of:

- fraudulent overpayments (17% in 2008/2009, compared with 39% in 2004/2005)
- fraud prosecutions (20% in 2008/2009, compared with 50% in 2004/2005).

These shifts in fraud cases reflect, at least in part, changes in numbers receiving these benefits.

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5 Previously "Benefit Control"



table  
IS.1**Trends in Fraud Investigations statistics<sup>1</sup>**

Financial year <sup>2</sup>	Number of investigations and reviews completed	Number of overpayments established	Value of overpayments (\$)	Number of prosecution cases of benefit fraud completed
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
2008/2009	26,400	3,327	33,780,453	735

**Notes**

- 1 Figures include all activities undertaken by Fraud Investigations and include benefits, Student Allowances and Student Loan cases.
- 2 Financial years ended 30 June.

**Data matching programmes**

The National Programmes Centre (which encompasses the National Data Match Centre) provides services to minimise errors, fraud and abuse of the benefit system. This is done in part by matching information about Work and Income clients with information held by the following agencies:

- Inland Revenue
- Department of Corrections
- New Zealand Customs Service
- Department of Internal Affairs (matches with Births, Deaths and Marriages)
- Accident Compensation Corporation (ACC)
- Housing New Zealand Corporation.

Data matching activity increased between 2004/2005 and 2008/2009. Several new data matches have commenced and some existing data matches have been extended and/or refined.

### Trends in data matching cases investigated and overpayments identified

The number of data match cases completed has fluctuated over the last five years (see table IS.2). The fluctuations reflect:

- a peak in 2005/2006, resulting from a focus on processing large numbers of lower value overpayments
- a decrease in 2006/2007, resulting from staff being diverted to processing the identity match with the Department of Internal Affairs, which was implemented during 2007
- an increase in 2007/2008, reflecting catch up work that was done to ensure cases previously opened were completed within required timeframes
- a levelling out in 2008/2009, as the data match volumes returned to manageable levels.

A match improvement programme was commenced in 2008/2009 to improve the data matching processes and systems.

The value of overpayments identified has shown corresponding fluctuations over this period.

table  
IS.2

### Trends in data matching statistics

Financial year <sup>1</sup>	Number of cases completed	Overpayments identified amount (\$)
2004/2005	43,139	30,265,125
2005/2006	62,639	29,404,188
2006/2007	39,123	19,012,850
2007/2008	67,838	31,316,452
2008/2009	54,582	20,007,833

Note

1 Financial years ended 30 June.

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## **Balances owed to the Crown by clients of MSD**

### ***How do people come to owe money to MSD?***

People owe money to the Ministry primarily as a result of receiving either:

- recoverable hardship assistance (which is provided on condition it will be paid back), or
- an overpayment of benefits.

The Ministry ensures clients in need receive any recoverable hardship assistance they are entitled to. Recoverable assistance is loaned to clients to help them meet immediate and essential costs for items such as:

- school uniforms
- accommodation costs
- whiteware purchases
- electricity and gas costs
- child car safety seats.

Overpayments of benefits occur when clients receive financial assistance they are not entitled to. This can be as a consequence of:

- a client not informing Work and Income of a change in their circumstances (eg starting work, entering a relationship)
- inaccurate information provided to Work and Income, or
- deliberate fraud.

### ***Does MSD attempt to prevent overpayments of benefits?***

The Ministry is working to reduce and minimise overpayments through a range of initiatives. It places significant emphasis on preventing overpayments from happening in the first place by:

- highlighting and reiterating client obligations so that clients know to inform Work and Income of any change in circumstances as soon as possible
- making it easier for clients to tell the Ministry what they need
- making sure they do things right for the client the first time
- providing clients with good advice about financial assistance available when they ask for extra monetary assistance.

### ***How are balances owed repaid to the Ministry?***

Most clients have limited means to quickly repay balances owed. As a result repayments are set at a level which does not cause undue hardship.

To ensure repayment, a range of activities are undertaken including:

- recovery directly from benefit and superannuation payments
- deductions of money from the client's bank accounts and wages
- civil action including caveats over property
- recovery of money owed through proceeds of crime where appropriate.

### Trends in balances owed

The information shown is limited to transactions between MSD and its clients. Repayment and overpayment data excludes the impact of tax refunded from Inland Revenue.

#### *The value of overpayments decreased between 2004/2005 and 2006/2007*

Reduced growth in balances owed (see table IS.3) reflected fewer clients receiving benefits and decreasing overpayments.

#### *Use of recoverable assistance increased in 2007/2008 and 2008/2009*

The increase in recoverable assistance (see table IS.3) drove increases in balances owed. Over 2007/2008 and 2008/2009, overpayments have remained at similar levels to those in 2006/2007. This occurred despite increases over 2008/2009 in numbers receiving main benefits.

#### *Repayments increased in 2008/2009*

The value of repayments (see table IS.3) increased in 2008/2009 as a greater number of clients made repayments. This is a result of more clients on benefit and more clients receiving recoverable assistance.

table  
IS.3

#### All balances from 1 July 2007 to 30 June 2009<sup>1</sup>

Financial year <sup>2</sup>	Opening balances outstanding at 1 July (\$m)	Recoverable assistance paid or adjusted on review (\$m)	Overpayments established or adjusted on review (\$m)	Balance reduced by repayments (\$m)	Balance reduced by write-offs (\$m)	Closing balances outstanding at 30 June (\$m)
2004/2005	757	111	178	-245	-13	788
2005/2006	788	113	177	-249	-13	817
2006/2007	817	112	163	-247	-14	831
2007/2008	831	119	169	-248	-14	857
2008/2009	857	158	165	-261	-9	910

#### Notes

- 1 Table IS.3 provides total balances across all of MSD's client debt portfolio and transactions.
- 2 Financial years ended 30 June.

### Trends in recoverable assistance, overpayments and fraud in 2007/2008 and 2008/2009

Enhancements to the Ministry's systems have resulted in the ability to gain a greater level of detail for transactions that occurred from 1 July 2007.

Tables IS.4 to IS.6 show the breakdown of balances owed for 2007/2008 and 2008/2009 into recoverable assistance, overpayments and fraud. These tables exclude recoverable assistance paid, overpayments established and fraud identified before 1 July 2007.

table  
IS.4

#### Recoverable assistance paid since July 2007<sup>1</sup>

Financial year <sup>2</sup>	Opening balances outstanding at 1 July (\$m)	Recoverable assistance paid or adjusted on review (\$m)	Balance reduced by repayments (\$m)	Balance reduced by write-offs (\$m)	Closing balances outstanding at 30 June (\$m)
2006/2007	0	120	-43	0	77
2007/2008	77	158	-98	0	137

Notes

- 1 Table IS.4 provides the breakdown of balances and transactions for recoverable assistance paid since 1 July 2007.
- 2 Financial years ended 30 June.

table  
IS.5

#### Overpayments established since July 2007<sup>1</sup>

Financial year <sup>2</sup>	Opening balances outstanding at 1 July (\$m)	Overpayments established or adjusted on review (\$m)	Balance reduced by repayments (\$m)	Balance reduced by write-offs (\$m)	Closing balances outstanding at 30 June (\$m)
2006/2007	0	163	-75	-4	85
2007/2008	85	156	-97	-4	141

Notes

- 1 Table IS.5 provides the breakdown of balances and transactions for overpayments established since 1 July 2007.
- 2 Financial years ended 30 June.

table  
IS.6

#### Fraudulent overpayments established since July 2007<sup>1</sup>

Financial year <sup>2</sup>	Opening balances outstanding at 1 July (\$m)	Overpayments established or adjusted on review (\$m)	Balance reduced by repayments (\$m)	Balance reduced by write-offs (\$m)	Closing balances outstanding at 30 June (\$m)
2006/2007	0	6	0	0	6
2007/2008	6	10	-1	0	15

Notes

- 1 Table IS.6 provides the breakdown of balances and transactions for fraud balances identified since 1 July 2007.
- 2 Financial years ended 30 June.

## Trends in clients with balances owed

### *The number of clients with balances owed increased over 2008/2009*

This increase (see table IS.7) reflected the impact of the economic recession, including:

- growth in the number of clients receiving benefits
- increased numbers of clients receiving recoverable hardship assistance.

Numbers owing Liable Parent Contribution or Maintenance balances continue to decline each year (see table IS.8) as these programmes have been defunct for many years. Numbers with Student Allowance balances owed have been maintained at higher levels since data matching to detect overpayments commenced in July 2005.

table  
IS.7

### Trends in the number of clients with a balance owed, by category

Financial year <sup>1</sup>	Current clients <sup>2</sup>	Former clients <sup>3</sup>	Liable Parent Contributions <sup>4</sup>	Maintenance <sup>5</sup>	Student <sup>6</sup>	Employment Training and Assistance <sup>7</sup>	Total <sup>8</sup>
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
2008/2009	204,562	124,944	3,578	1,557	9,456	91	344,188

#### Notes

- 1 Financial years ended 30 June.
- 2 Clients currently receiving financial assistance from Work and Income who have an outstanding balance of overpayment or recoverable assistance loan.
- 3 Clients no longer receiving financial assistance from Work and Income who have an outstanding balance of overpayment or recoverable assistance loan.
- 4 The Liable Parent Contribution Scheme ended in 1992. This number represents liable parents with arrears of payments.
- 5 Administration of Maintenance Orders and registered agreements ended in 1992. This number represents Crown maintenance clients with arrears of payments.
- 6 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.
- 7 Clients with a balance owed as a result of having received employment-associated grants and allowances. An example is an 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.
- 8 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.

**Composition of balances owed**

***Almost all of the value of balances owed is owed by current or former clients of Work and Income***

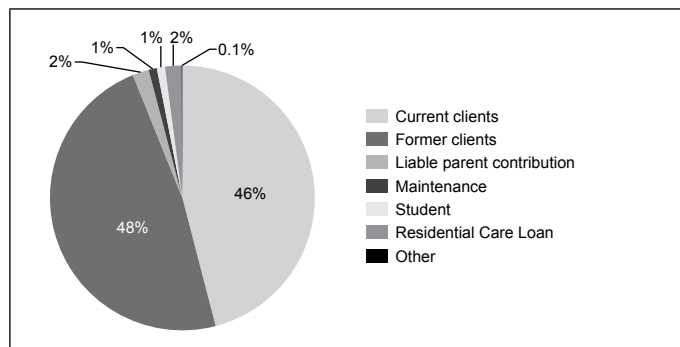
Nearly half the value is owed by current clients and a similar proportion by former clients (see figure IS.1).

Of the total balance owed at 30 June 2009, resulting only from recoverable assistance paid and overpayments made since 1 July 2007:

- 47% was due to recoverable assistance
- 53% was due to overpayments, including fraud.

figure IS.1

**Total composition of balances owed to the Crown at 30 June 2009**



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## International Services

### Payment overseas of New Zealand Superannuation, Veteran's Pensions and main benefits

#### *What provisions allow New Zealand Superannuation, Veteran's Pensions and benefits to be paid overseas?*

There are three main provisions that allow social security payments from New Zealand to be paid overseas. These are:

- social security agreements
- the special portability arrangement for Pacific countries
- general portability provisions.

All three provisions cover payments of New Zealand Superannuation and Veteran's Pension.

Social security agreements also cover payments of some main benefits.

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### Social security agreements

#### *What do social security agreements do?*

Migrants and emigrants can use periods of residence or social security contributions in a country with which New Zealand has a social security agreement to meet the residence requirements for some New Zealand benefits and pensions.

This means that:

- people who have come to New Zealand from overseas may qualify for certain New Zealand benefits or pensions under social security agreements
- people may qualify for certain New Zealand benefits and pensions under social security agreements while residing overseas.

#### *Which countries does New Zealand have social security agreements with?*

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.

Details of current agreements follow.

#### **Australia**

This agreement covers:

- New Zealand Superannuation for recipients entitled in their own right
- Veteran's Pensions for clients aged 65 years or over
- Invalid's Benefits for people with severe disabilities.



Under this agreement, individual pensioners receive dual payments, one from each government. Payments are calculated according to the proportion of the individual's working life (between 20–65 years) spent in each country. Payment of New Zealand benefits and pensions in Australia also depends on the rate of Australian pension the person would be paid if they had not lived in New Zealand.<sup>6</sup> This is referred to as the “capped” rate and may mean that a person has a New Zealand entitlement to a nil rate of payment.

Periods of residence in New Zealand can help people going to Australia to qualify for the Australian benefits or pensions covered by the agreement. Conversely, periods of residence in Australia will assist people coming to live in New Zealand to qualify for New Zealand benefits or pensions covered by the agreement.

For those clients living in New Zealand, payments are reduced by the rate of Australian pension paid into New Zealand. Clients living in Australia may have their New Zealand entitlement reduced by pensions received from a third country.<sup>7</sup>

At the end of June 2009 there were 6,051 people receiving Australian benefits and pensions in New Zealand. There were 17,903 people entitled to New Zealand benefits and pensions in Australia at that time.<sup>8</sup> Of these:

- 14,410 were entitled to New Zealand Superannuation
- 41 were entitled to a Veteran's Pension
- 3,452 were entitled to an Invalid's Benefit.

Benefit reimbursements are paid to Australia by New Zealand for benefits paid under the previous agreement. The annual payment amounts are set out in Article 26 of the 2002 Agreement and are scheduled to stop in 2015.<sup>9</sup>

The reimbursement for the financial year beginning 1 July 2008 was NZ\$50.3 million (AUD\$46.4 million).

### ***The United Kingdom***

Periods of residence in New Zealand can help people going to live in the United Kingdom (UK) to qualify for a UK pension and certain other social security payments. If living in New Zealand, periods of residence in the UK or contributions to the UK National Insurance Scheme can be used to meet residency criteria for some New Zealand benefits. Those living in New Zealand may also qualify for payment of a UK pension.

New Zealand payments are reduced by the amount of UK state pension or benefit they receive. At the end of June 2009, there were 42,671 people in this situation.

As the UK agreement is a host agreement only, clients are generally not entitled to payment of New Zealand benefits or pensions in the UK when moving there permanently.

6 Australian assessments assume all New Zealand residence as time in Australia and subject the rate to means testing. It is this rate that is then compared to the proportional New Zealand rate calculated. New Zealand will pay the lower of the two rates.

7 This is only applicable to those clients who have used third country residence in the assessment of the New Zealand rate and excludes Australian citizens and Australian permanent residence visa holders.

8 This includes people entitled to receive assistance from New Zealand, but who receive a nil payment because of means testing of assistance they received from the Australian Government.

9 The final payment under this agreement will be a bulk payment for the aggregate reimbursable amount for the following five years.

***The Netherlands***

Periods of residence in New Zealand can help people qualify for payments from New Zealand while they are living in the Netherlands. The rate of payment is based on whole months of residence in New Zealand since age 20. The payments covered are:

- New Zealand Superannuation for people who qualify in their own right
- Veteran's Pension for people aged 65 years or over
- Invalid's Benefit
- Widow's Benefit
- Domestic Purposes Benefit for widowers.

Periods of residence in the Netherlands can be used to meet the residency criteria for New Zealand benefits within the scope of the agreement. Conversely, periods of New Zealand residence can help people going to the Netherlands to qualify for Netherlands benefits and pensions covered by the agreement.

New Zealand payments are reduced by the amount of Netherlands state pension or benefit they receive whilst residing in New Zealand.

At the end of June 2009, there were 3,444 people receiving Netherlands pensions in New Zealand. At the same date, there were 1,075 people receiving New Zealand benefits and pensions in the Netherlands. Of these people:

- 1,068 were receiving New Zealand Superannuation
- three were receiving an Invalid's Benefit
- four were receiving a Widow's Benefit.

***The Republic of Ireland***

Periods of residence in New Zealand can help people qualify for payments from New Zealand while they are living in Ireland. The rate of payment is based on whole months of residence in New Zealand since age 20 years. The payments covered are:

- New Zealand Superannuation for people who qualify in their own right
- Veteran's Pension
- Invalid's Benefit
- Orphan's Benefit
- Widow's Benefit
- Domestic Purposes Benefit for widowers.

Periods of residence in Ireland can be used to meet residency criteria for New Zealand benefits.

Periods of residence in New Zealand can help people qualify for Irish benefits and pensions covered by the agreement.

New Zealand payments are reduced by the amount of Irish state pension or benefit they receive whilst residing in New Zealand. New Zealand payments into Ireland may be reduced by some Irish benefits and pensions and any benefit or pension paid by a third country.

At the end of June 2009, there were:

- 179 people receiving Irish pensions in New Zealand
- 115 people receiving New Zealand Superannuation in the Republic of Ireland, and
- one receiving a Widow's Benefit in the Republic of Ireland.

**Greece**

Periods of residence in New Zealand can help people qualify for payments from New Zealand while they are living in Greece. The rate of payment is based on whole years of residence in New Zealand since age 20 years. The payments covered are:

- New Zealand Superannuation for people who qualify in their own right
- Veteran's Pension for people aged 65 years or over
- Invalid's Benefit
- Widow's Benefit
- Domestic Purposes Benefit for widowers.

Orphan's Benefits and funeral grants may also be payable at the full New Zealand rate.

Periods of residence in New Zealand will also assist people who have made limited social insurance contributions in Greece to qualify for a Greek pension.

Periods of residence and/or social insurance contributions in Greece may be used to qualify for New Zealand benefits and pensions within the scope of the agreement.

New Zealand payments are reduced by the amount of Greek state pension or benefit they receive whilst residing in New Zealand. New Zealand payments into Greece are reduced by any benefit or pension paid by a third country.

At the end of June 2009, there were 16 people receiving Greek pensions in New Zealand. At the same date, there were 284 people receiving New Zealand benefits or pensions in Greece. Of these:

- 281 people were receiving New Zealand Superannuation
- two were receiving Invalid's Benefits
- one was receiving a Widow's Benefit.

**Canada**

Periods of New Zealand residence can be used to qualify for payments from New Zealand while living in Canada. The rate of payment is based on whole months of New Zealand residence since age 20 years. The payments covered are:

- New Zealand Superannuation for people who qualify in their own right
- Veteran's Pension for people aged 65 years or over
- Invalid's Benefit
- Widow's Benefit
- Domestic Purposes Benefit for widowers.

Periods of residence in New Zealand also assist people who have made limited contributions to the Canadian scheme, or who have insufficient periods of Canadian residence to qualify for a Canadian pension.

Periods of residence or social insurance contributions in Canada can be used to meet the residence criteria for New Zealand benefits and pensions within the scope of the agreement.

New Zealand payments are reduced by the amount of Canadian state pension or benefit they receive whilst residing in New Zealand.

At the end of June 2009, there were 952 people receiving Canadian pensions in New Zealand. At the same date, there were 533 people receiving New Zealand benefits or pensions in Canada. Of these:

- 524 people were receiving New Zealand Superannuation
- eight were receiving Invalid's Benefits
- one was receiving a Widow's Benefit.

**Denmark**

Periods of New Zealand residence can be used to qualify for payments from New Zealand while living in Denmark. The rate of payment is based on whole months of New Zealand residence since age 20 years. The payments covered are:

- New Zealand Superannuation for people who qualify in their own right
- Veteran's Pension for people aged 65 years or over
- Invalid's Benefit
- Widow's Benefit
- Domestic Purposes Benefit for widowers.

Periods of residence in New Zealand also assist people who have made limited contributions to the Danish scheme, or who have insufficient periods of Danish residence to qualify for a Danish pension. To qualify for a Danish pension under the agreement, a person must be either a Danish or New Zealand citizen.

Periods of residence or social security contributions made in Denmark can be used to meet the residence criteria for New Zealand benefits and pensions within the scope of the agreement.

New Zealand payments are reduced by the amount of any Danish state pension<sup>10</sup> or benefit they receive whilst residing in New Zealand.

At the end of June 2009, there were:

- 83 people receiving Danish pensions in New Zealand
- 61 people receiving New Zealand Superannuation in Denmark.

**Jersey and Guernsey**

Periods of residence in New Zealand can assist people in qualifying to receive New Zealand payments while living in Jersey or Guernsey. The rate of payment is based on whole years of New Zealand residence since age 20 years. Payments covered are:

- New Zealand Superannuation for people who qualify in their own right
- Veteran's Pensions
- Invalid's Benefit
- Widow's Benefit
- Domestic Purposes Benefits for widowers
- Sickness Benefit.<sup>11</sup>

Periods of residence in New Zealand also assist people who have made limited contributions to the Jersey or Guernsey insurance schemes to qualify for pensions available under those schemes.

Periods of contribution to the Jersey or Guernsey social insurance schemes assist in qualifying for New Zealand benefits and pensions within the scope of the agreement.

New Zealand payments are reduced by the amount of Jersey or Guernsey state pension or benefit they receive whilst residing in New Zealand. New Zealand payments into Jersey or Guernsey are reduced by any benefit or pension paid by a third country.

At the end of June 2009, there were:

- 83 people receiving Jersey pensions in New Zealand and 80 Guernsey pensions
- 37 people receiving New Zealand Superannuation in Jersey and 24 in Guernsey.

10 This includes pensions paid by the Arbejdsmarkedets Tillægspension (ATP).

11 The inclusion of Sickness Benefits in this agreement is solely to allow people to use contributions to the Jersey and Guernsey insurance schemes to qualify for a Sickness Benefit in New Zealand. Sickness Benefits are not paid outside New Zealand except to people who qualified under the Social Security Act.

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### General portability provisions

Prior to 5 January 2010, people living outside New Zealand could receive 50% of their New Zealand Superannuation or Veteran's Pension under this provision.<sup>12</sup> Applications under this provision must be made while the applicant is resident in New Zealand. The principal destinations are the United States, China, Thailand and India.

This provision applies to people who are:

- eligible to receive New Zealand Superannuation or a Veteran's Pension in their own right (ie they are not non-qualified spouses)
- living in a country which:
  - does not have a social security agreement with New Zealand
  - is not covered under the special portability arrangement for Pacific countries.

At the end of June 2009, 251 people in 59 countries were receiving pension payments under the general portability provision.

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### Special portability arrangement for Pacific countries

Periods of New Zealand residence can be used to qualify to receive New Zealand Superannuation or a Veteran's Pension while resident in one of 22 Pacific countries. Only people eligible in their own right can receive New Zealand Superannuation under this provision.

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.

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<sup>12</sup> From 5 January 2010, people eligible in their own right could receive up to 100% of the base rate of New Zealand Superannuation or Veteran's Pension. The rate of payment depends on the proportion of the person's working life (between 20–65 years) that was spent in New Zealand.

Payment rates are 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
- 11–20 years since the age of 20 years receive an additional 5% of New Zealand Superannuation or a Veteran's Pension for each year of residence over 10 years.

At the date of application, they must be:

- both resident and present in New Zealand
- intending to live in one of the specified Pacific countries for 52 weeks or more.

At the end of June 2009, 567 people in 12 Pacific countries were receiving payments under the special portability arrangement.

The significantly larger uptake of special portability as opposed to general portability reflected:

- the more generous payment provisions of the special portability arrangements for people with over 10 years of New Zealand residence since the age of 20 years
- the proximity of Pacific countries
- the close family links that are often maintained even after a person's immigration to New Zealand from a Pacific country.

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### **Trends in total payments to New Zealanders living overseas**

At the end of June 2009, 20,851 New Zealanders living overseas were entitled to payment of New Zealand benefits and pensions overseas.<sup>13</sup> Of these people:

- 17,337 were entitled to New Zealand Superannuation
- 3,465 were entitled to Invalid's Benefits
- 42 were entitled to Veteran's Pensions
- 7 were receiving Widow's Benefits.

The number of people receiving payments of pensions or main benefits while living overseas has increased by 13,389 (179% increase) between 1 July 2005 and 30 June 2009. This increase was mostly attributable to the numbers of clients who have moved from New Zealand to Australia (accounting for 95%, or 12,765, of this increase).

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### **Foreign pensions paid into New Zealand**

Some people receive a reduced rate of New Zealand Superannuation, Veteran's Pension or main benefit because they are also receiving overseas pensions paid into New Zealand.

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<sup>13</sup> This figure includes 500 clients living in Australia who qualify for payment at a nil rate of payment and 31 other clients in different countries whose payments were temporarily stopped as at 30 June 2009.

## Trends in the number of Work and Income clients receiving overseas pensions

### *The number of Work and Income clients receiving overseas pensions increased between 2005 and 2009*

The number of Work and Income clients who were also receiving overseas pensions increased by 18% (8,542 people) between 2005 and 2009 (see table OP.1). Clients receiving Australian and UK pensions accounted for 70% (5,980) of this increase.

table  
OP.1

### Numbers of Work and Income clients receiving an overseas pension, by country the pension is received from<sup>1,2,3</sup>

	Work and Income clients receiving an overseas pension				
	2005 Number	2006 Number	2007 Number	2008 Number	2009 Number
Albania	0	0	0	1	2
Argentina	1	1	2	3	2
Australia	2,549	3,960	3,928	4,918	6,051
Austria	4	6	10	18	21
Barbados	3	3	3	4	3
Belgium	4	8	8	9	12
Bulgaria	4	10	13	23	22
Canada	387	554	647	795	952
Chile	0	0	3	5	4
China, People's Republic of	153	131	337	427	461
Cook Islands	0	2	2	4	3
Croatia	1	4	6	6	6
Czechoslovakia, former state of	2	4	5	9	11
Denmark	71	80	80	84	83
Egypt	0	0	1	2	3
Fiji	56	40	90	111	108
Finland	2	1	3	5	5
France	8	14	16	18	20
French Polynesia	3	2	2	2	3
Germany	108	153	171	200	217
Greece	19	12	15	20	16
Guernsey	51	69	78	79	80
Hong Kong	0	1	6	6	6
Hungary	1	3	5	6	5
India	20	26	43	54	58
Ireland	131	168	159	170	179
Isle of Man	26	37	37	40	38
Israel	1	1	1	2	1
Italy	3	4	6	12	16
Jamaica	0	0	0	1	1
Japan	5	14	18	26	23
Jersey	63	80	78	79	83
Korea, Republic of	0	2	5	5	6

	Work and Income clients receiving an overseas pension				
	2005 Number	2006 Number	2007 Number	2008 Number	2009 Number
Macedonia	0	0	0	4	4
Malaysia	3	13	20	24	23
Malta	1	0	0	0	0
Marshall Islands	1	0	1	1	1
Netherlands	2,709	3,027	3,146	3,324	3,444
New Caledonia	0	1	1	1	2
Norway	3	6	4	10	7
Peru	0	1	1	1	1
Philippines	22	45	53	62	73
Poland	2	4	6	7	5
Portugal	1	1	2	4	4
Romania	0	0	3	8	11
Samoa, American	0	3	3	6	2
Samoa, Western	0	4	5	42	8
Singapore	2	1	1	5	4
South Africa, Republic of	36	14	62	71	75
Spain	0	0	0	1	1
Sri Lanka	53	22	34	51	38
Sweden	2	7	9	20	21
Switzerland	110	138	150	173	181
Tonga	0	0	0	0	1
Union of Soviet Socialist Republics, former	22	29	31	44	49
United Kingdom	40,193	42,521	40,417	41,359	42,671
United States of America	150	223	274	376	397
Yugoslavia, former state of	9	12	15	18	13
Zimbabwe	2	2	0	0	1
<b>Total</b>	<b>46,996</b>	<b>51,464</b>	<b>50,019</b>	<b>52,756</b>	<b>55,538</b>

## Notes

- 1 Statistics above are only those Work and Income clients who are also receiving an overseas pension and should not be read as including all New Zealand residents receiving overseas pensions.
- 2 Not all overseas pensions are deductible under S.70 of the Social Security Act 1964. Some are treated as income. All overseas pension records whether deductible or not are included in the overall totals shown.
- 3 A client may have a pension from more than one country and therefore may be represented in the statistical data more than once.







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