



MINISTRY OF SOCIAL DEVELOPMENT

Te Manatū Whakahiato Ora



THE STATISTICAL REPORT

FOR THE YEAR ENDING JUNE 2004



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FOR THE YEAR ENDING JUNE 2004

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Acknowledgments:

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

Published by:

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Website: www.msd.govt.nz

ISSN 1176-3388

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Section 1 Introduction

Introduction to The Statistical Report

This report presents a range of information about the use of financial assistance and employment services provided by the Ministry of Social Development (MSD). Within this report, information about the use of MSD assistance is also placed into a broader population context. We anticipate that the information contained in the report will be of value to anyone working in the social services sector, whether in a policy, research or service delivery capacity.

This report is based on information held in the client databases of MSD's service lines. To ensure consistency over time in information sources, most information in this report, other than expenditure information, has been restricted to the period since 1 July 1999. Some of the statistics presented in this report are also available for earlier years, on request from MSD's Decision Support team.

All information on the use and uptake of financial assistance or employment assistance presented in Sections 2–6 of this report was extracted using the measures and information sources currently used by MSD in its official reporting. Due to improvements in measurements and changes in the source of information, figures published in earlier reports in this series may not be able to be replicated in this report.

Expenditure information provided in this report differs from official MSD expenditure data, and should not be cited as official MSD expenditure data.

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

Section 2 Assistance provided by Work and Income

Introduction

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

Information about income tests, work tests and client development processes that are applied when providing benefits and pensions is outlined in Appendix 1. Information on reasons for differences between the number of registered job seekers and the number of people officially unemployed is outlined in Appendix 2. Additional information about trends in the ages of people who were receiving or covered by Work and Income assistance is provided in Appendix 3.

Conventions in this report

Throughout this report, financial assistance is referred to by:

- the official name (as at 30 June 2004) of a specific type of financial assistance (eg Domestic Purposes Benefit – Sole Parents)
- broad groups of core benefits that are delivered for similar purposes (defined in Section 3).

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

Trends over time in the numbers of people receiving assistance from Work and Income are shown as numbers receiving these services at the end of each year ended 30 June. This approach aims to give broad trends in service use over a long period of time in a way that also enables actual numbers of clients receiving services to be shown.

This approach means, however, that the trends identified give no information about the numbers of people receiving assistance or services through Work and Income at other times of the year. In particular, it should be noted that large numbers of people may be granted assistance from Work and Income, and later cease receiving that assistance, without appearing in statistics showing people receiving those services at 30 June. Assistance provided to these people will, however, be represented in statistics showing assistance granted, assistance ceased, and expenditure on assistance. Because of this, the difference between assistance granted and assistance ceased during the financial year will not correspond to the change between the beginning and end of the financial year in the numbers of people receiving assistance.

In this report, reference is made to SWIFTT and SOLO as sources for the data used in this report. SWIFTT is the system used by Work and Income to record information on financial assistance recipients and on financial assistance being paid, and it contains a comprehensive record of information collected since 1995. SOLO is the system used by Work and Income to record information on registered job seekers and on employment services being provided, and it contains a comprehensive record of information collected since 1999. Some information is also available for earlier years concerning financial services, employment services and registered job seekers.

Figures published in earlier reports in this series may not be able to be replicated from figures shown in this report. This is due to improvements in measurements and changes in the source of information.

Throughout this report, the percentages shown in tables are rounded to one decimal place. Percentages shown in tables may not add to 100.0% because of rounding.

Expenditure data shown in Section 3 summarises monthly expenditure since 1991/1992 on core benefits and pensions. This data has been adjusted for the number of payments of the core benefit or pension made in each month, and then smoothed using a moving average. A three-month moving average has been used for all core benefits and pensions except for Unsupported Child's Benefits and Orphan's Benefits, where a two-month moving average is used. In addition, expenditure data in Section 3:

- includes supplementary benefits payable to recipients of core benefits and pensions (except for Family Assistance payments made by Inland Revenue)
- is shown net of taxation, apart from that for:
 - New Zealand Superannuation, which is shown gross of taxation
 - Unsupported Child's Benefits and Orphan's Benefits, which are not taxed.

Expenditure data shown in Section 4 summarises monthly expenditure since 1991/1992 on supplementary benefits. This data has been adjusted for the number of payments of the supplementary benefit made each month. A two-month moving average has been used to smooth data for all supplementary benefits except for the Training Incentive Allowance, which has been left unsmoothed in order to reflect its particularly high volatility. Supplementary benefits are not subject to taxation.

Expenditure data quoted in this report differs from official MSD expenditure data, does not reflect state sector financial reporting conventions, and should not be cited as official MSD expenditure data.

Key differences between expenditure data quoted in this report and official MSD expenditure data reflect:

- the exclusion of income tax paid from expenditure on core benefits quoted in Section 2
- the inclusion in expenditure on core benefits quoted in Section 3 of expenditure on core benefits and of debt established
- the inclusion of debt established in expenditure on supplementary benefits quoted in Section 4
- the summation in Sections 3 and 4 of expenditure data that has been adjusted for the number of payments made during each month of the year (most of the expenditure data summed to calculate annual expenditure had also been smoothed)
- the inclusion of expenditure on some supplementary benefits in expenditure on core benefits quoted in Section 7.

Differences between official expenditure and expenditure data cited in The Statistical Report reflect the joint aims of showing in this report:

- the "net gain" to clients of receiving financial assistance from Work and Income
- series of expenditure data that are consistent over a period of time when there was significant change in both operational policies and accounting conventions.

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

All data within this report that shows the use of core or supplementary benefits excludes spouses, partners and children of people receiving these benefits. All data on the use of pensions includes non-qualified spouses receiving pensions but excludes any other dependants of the client (eg non-qualified partners or spouses who are not receiving a pension).

This report therefore indicates the number of people or the proportion of the population accounted for by numbers officially reported by MSD as receiving core benefits or pensions. However, this report does not indicate the total number of people or total proportion of the population who are dependent on benefits or pensions.

Numbers of registered job seekers shown in this report exclude work services clients who are not registered job seekers. Work services clients who are not registered job seekers comprise around 1% of all work services clients, and consist of:

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

This report therefore identifies the number of people and proportion of the population accounted for by the numbers of job seekers officially reported by MSD. However, this report does not indicate the total number or total proportion of the population who are receiving employment services from Work and Income.

Benefits, pensions and hardship assistance

Types of benefits

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

- core benefits
- supplementary benefits.

Core benefits

To be eligible to receive most core benefits, clients must:

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

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

For information on eligibility for particular types of core benefits, see Section 3 of this report. See Appendix 1 for additional general information about income testing, work testing and client development approaches applied in the provision of some benefits.

Payment rates for core benefits

The standard weekly rates of core benefits are increased yearly on 1 April, in order to reflect the change in the Consumers Price Index over the previous year. The rates for core benefits current from 1 April 2004 are listed in [Table 2.1](#).

Please note that:

- some clients may receive their core benefit payments fortnightly, at double the amount shown in [Table 2.1](#)
- the rates shown in [Table 2.1](#) are maximum rates unless stated otherwise (the amount a person actually receives will depend on their income from other sources)
- each partner of a couple who are married or living as married receives one-half of the core benefit payment (as noted earlier, numbers of core benefit recipients given in this report include only one partner from a couple who are married or living as married and are receiving a core benefit).

table 2.1 Weekly payment rates for core benefits (payable from 1 April 2004)

Core benefit	Status	Weekly payment rate ^{1,2}		
		None	Number of children 1 child	2 or more
Unemployment Benefit	Married, each	\$136.79	\$145.36	\$145.36
	Single 25+	\$164.16	\$235.12	\$256.52
	Single 18–24	\$136.79	\$235.12	\$256.52
	Single 18–19 (Living at Home)	\$109.43		
Independent Youth Benefit		\$136.79		
Sickness Benefit granted after 1 July 1998	Married, each	\$136.79	\$145.36	\$145.36
	Single 25+	\$164.16	\$235.12	\$256.52
	Single 18–24	\$136.79	\$235.12	\$256.52
	Single 18–19 (Living at Home)	\$109.43		
Sickness Benefit granted before 1 July 1998 ³	Married, each	\$139.54	\$145.36	\$145.36
	Single 25+	\$164.16	\$235.12	\$256.52
	Single 18–24	\$147.34	\$235.12	\$256.52
	Single 18–19 (Living at Home)	na	na	na
Invalids' Benefit ⁴	Married, each	\$170.99	\$170.99	\$170.99
	Single 18+	\$205.18	\$269.54	\$289.45
	Single 16–17	\$166.04		
Domestic Purposes Benefit ⁴	Sole Parent		\$235.12	\$256.52
	Women Alone	\$170.99		
Domestic Purposes Benefit – Caring for the Sick and Infirm ^{4,5}	Single 18+	\$205.18		
	Single 16–17	\$166.04		
	Sole Parent		\$269.54	\$289.45
	Half married rate	\$170.99		
Emergency Maintenance Allowance	Age 16–17 (Living at Home)		\$109.43	\$109.43
	Age 16–17 (Away from Home)		\$235.12	\$256.52
	18 or over		\$235.12	\$256.52
Widows' Benefit ⁴		\$170.99	\$235.12	\$256.52
Unsupported Child's Benefit and Orphan's Benefit (per child) ⁴	Age 14 years or over		\$113.97	
	Age 10–13 years		\$105.43	
	Age 5–9 years		\$96.88	
	Age under 5 years		\$79.77	

Notes

- 1 Payments are shown as the net amount set by regulations. Rates shown apply from 1 April 2004. Tax at the "M" rate is calculated retrospectively and paid to Inland Revenue.
- 2 Rates shown are exclusive of Family Support payments. People on benefit who have children qualify for Family Support, a programme funded by Inland Revenue. See Table 2.2 for rates of Family Support.
- 3 People who have received a Sickness Benefit since before 1 July 1998 receive the old (higher) Sickness Benefit rates.
- 4 Some recipients are paid weekly, while others are paid fortnightly at double the indicated rates.
- 5 Only the caregiver receives payment.

Supplementary benefits

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

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

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

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

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

Payment rates for supplementary benefits

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

table 2.2 Weekly payment rates for selected supplementary benefits (payable from 1 April 2004)

Supplementary benefit ¹	Status	Maximum weekly payment rate ^{2,3}
Accommodation Supplement ⁴	Living in Auckland	\$150.00
	Living in other main provincial centres ⁵	\$100.00
	Living elsewhere in New Zealand	\$75.00
Training Incentive Allowance	Maximum weekly rate (Maximum per year \$3,300.00)	\$83.25
Disability Allowance	Maximum amount	\$48.18
Child Disability Allowance	Fixed rate	\$36.30
Childcare Subsidy ⁶	Maximum amount	\$129.00
Family Support ^{7,8}	First child or only child 15 years or under	\$47.00
	Second or subsequent child 0–12 years	\$32.00
	Second or subsequent child 13–15 years	\$40.00
	Child 16 years and over	\$60.00

Notes

- 1 This is a selection of the more common types of supplementary benefits. These types of benefit may be received in combination with some core benefit or pension, and may also be available to low-income earners.
- 2 All rates payable from 1 April 2004.
- 3 Weekly amounts are shown.
- 4 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).
- 5 Includes Wellington, Christchurch, Hamilton, Hastings, Napier, Palmerston North, Rotorua, Tauranga and Nelson.
- 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.
- 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.

Pensions

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

Two types of pensions are paid by Work and Income.

- New Zealand Superannuation – available to people who have reached a certain age (currently 65 years) and who meet other eligibility criteria (eg residency). People who do not meet these eligibility criteria but who are married to a qualified recipient of New Zealand Superannuation may receive this pension as a “non-qualified spouse”.
- Veterans’ Pension – available to ex-service personnel who are:
 - aged 65 years or over and qualified for a War Disablement Pension, or
 - aged under 65 years and unable to work because of a disability.

Surviving spouses of Veterans’ Pension recipients may choose to continue receiving a Veterans’ Pension at the single person rate.

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

Pensions are not income tested except where:

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

Clients receiving pensions are eligible to receive supplementary benefits from Work and Income to assist with meeting necessary costs of living. Supplementary benefits paid to people receiving pensions are income tested, and some are also asset tested.

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

Payment rates for pensions

The payment rates for New Zealand Superannuation and Veterans' Pensions are set by legislation. At the "M" tax rate, the combined after-tax amount of New Zealand Superannuation payable to a married couple must be between 65% and 72.5% of the after-tax average ordinary time weekly wage. A single person living alone receives 65% of the rate payable to a married couple, while a single person sharing accommodation receives 60% of the rate payable to a married couple.

Table 2.3 shows rates payable for New Zealand Superannuation and Veterans' Pensions as at 1 April 2004.

table 2.3 Payment rates for New Zealand Superannuation and Veterans' Pension (payable from 1 April 2004)

Status	Payment rate excluding tax paid at "M" Rate ^{1,2}	Payment rate excluding tax paid at "S" Rate ^{1,2}
Married, each, both qualify	\$191.61	\$180.64
Married, each, only one qualifies ³	\$182.70	\$171.73
Married, each, only one qualifies, and application accepted before 1 October 1991 ³	\$191.61	\$180.64
Single, living alone	\$249.09	\$238.12
Single, living with others	\$229.93	\$218.96

Notes

- 1 All amounts shown are weekly rates, payable from 1 April 2004. New Zealand Superannuation and Veterans' Pension payments are made fortnightly at double the indicated rates.
- 2 Rates shown are exclusive of Family Support payments (if any) made by Inland Revenue.
- 3 Where one partner is under the qualifying age, or does not meet residency requirements, the amount paid is income tested. The qualified spouse can opt to receive the "Married" rate where only one partner qualifies. Rates shown for single people or where both partners qualify are not income tested.

Hardship assistance

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

Hardship assistance may be paid as:

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

Hardship assistance provided as lump sums may be:

- paid to the client or to another person or organisation who provides goods or services to the client
- recoverable or non-recoverable (clients are required to repay recoverable assistance back to Work and Income).

Employment services

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

- one-to-one assistance with job search and preparation to enter employment
- employment or training programmes that assist clients to prepare for work, find a job or enter employment
- referral of clients to vacancies that are notified to Work and Income
- subsidies (paid for a limited period) that assist employers with the cost of wages paid to a work services client whom they hire
- assistance for work services 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.

Registered job seekers

To maintain consistency with other MSD publications, this report uses the number of registered job seekers as a measure of the use of employment services provided by Work and Income. All registered job seekers must be:

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

Since 2000, between 98% and 99% of work services clients have been registered job seekers. However, some people receive employment services from Work and Income without being registered as job seekers. These people include vacation workers and people already in full-time work (ie working 30 or more hours per week) who are seeking to change jobs.

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

Transition to Work assistance

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

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

Overall trends in use of financial assistance and employment services

There have been decreases since 2000 in the numbers of core benefit recipients and in the numbers of registered job seekers (see [Table 2.4](#)). These decreases reflect a number of factors, including:

- improved economic conditions (reflected in falling official unemployment levels)
- changes in MSD policies and in Work and Income operational processes, including:
 - extending the range of core benefits that are work tested (this process started on 1 February 1997, and was completed on 1 February 1999; the impact on job seeker numbers of extended work testing of core benefits is particularly pronounced between 1999 and 2000)
 - reviewing (in November 2000) the lapsing of job seekers who lose contact with Work and Income
 - removing work test requirements for recipients of Domestic Purposes Benefits and Widows' Benefits from 10 March 2003, and replacing these requirements with the Personal Development and Employment Plan process

- placing an increased emphasis on supporting job seekers into paid work
- placing an increased emphasis on ongoing support of clients who have obtained paid work.

Increases since 2001 in the numbers of people receiving a pension (see [Table 2.4](#)) reflect the impact of fixing (from 1 April 2001) of the eligibility age for New Zealand Superannuation.

Between 1992/1993 and 2000/2001, relatively constant numbers of cessations of New Zealand Superannuation outnumbered New Zealand Superannuation pensions granted. However, New Zealand Superannuation pensions granted have outnumbered cessations of New Zealand Superannuation since 2001/2002.

Fluctuations since 2000 in the number of people receiving one or more supplementary benefits and/or a Special Benefit (see [Table 2.4](#)) reflect the impact of:

- changes in the numbers of people receiving core benefits
- changes in economic conditions
- the reintroduction of income-related rents for state rental homes in November 2000, which reduced numbers receiving an Accommodation Supplement
- Work and Income initiatives aimed at ensuring that staff and clients are aware of the availability of and eligibility criteria for Special Benefit, which has contributed to a sharp increase over the last two years in the numbers of people receiving a Special Benefit.

table 2.4 Trends in the number of people receiving financial assistance from Work and Income and in the number of registered job seekers

Type of assistance received at 30 June	Clients receiving financial assistance from Work and Income or registered as job seekers ¹				
	2000 Number	2001 Number	2002 Number	2003 Number	2004 Number
Core benefit recipients ²	379,544	370,089	359,074	351,459	327,172
Registered job seekers	230,990	191,855	167,717	144,576	107,590
Pension recipients ^{3,4}	460,649	454,131	458,022	465,150	473,089
Recipients of one or more supplementary benefits and/or Special Benefit	457,429	434,855	433,699	438,780	433,350

Notes

- 1 Numbers of clients recorded in SWIFTT or SOLO as receiving assistance from Work and Income at 30 June.
- 2 All counts of core benefit recipients in this report exclude partners, spouses and children of people receiving core benefits.
- 3 All counts of pension recipients in this report include qualified recipients and non-qualified spouses receiving pensions, but exclude other dependants.
- 4 All counts of pension recipients in this report exclude recipients of the War Disablement Pension. This is to avoid double counting of people who are receiving both a War Disablement Pension and another benefit or pension.

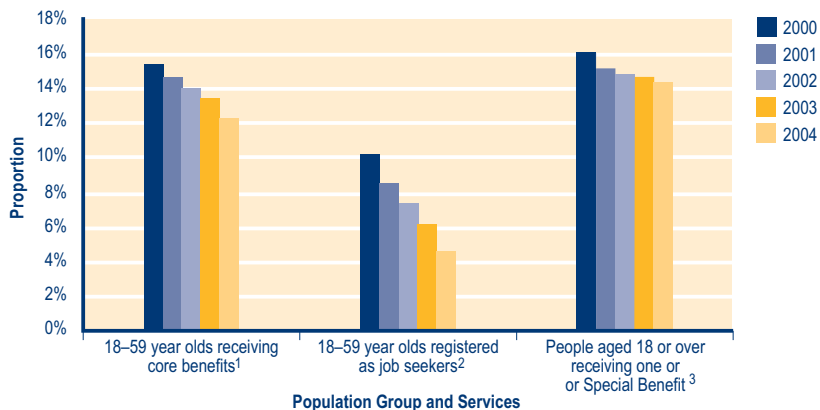
Trends in the proportion of the New Zealand population receiving financial assistance or employment services from Work and Income

Decreases since 2000 in the proportion of 18–59 year olds receiving a core benefit and in the proportion of 18–59 year olds registered as job seekers (see [Figure 2.1](#)) reflect the economic, operational and demographic factors outlined above.

Since 2000, 18–59 year olds have been significantly more likely to be receiving a core benefit than to be registered as a job seeker (see [Figure 2.1](#)). This reflects the complexity of factors leading to a client receiving a core benefit.

Over the same period, between 14% and 16% of people aged 18 years or over have been receiving one or more supplementary benefits and/or a Special Benefit (see [Figure 2.1](#)).

figure 2.1 Trends in the proportion of the represented age groups who were receiving core benefits, were registered as job seekers, or were receiving one or more supplementary benefits and/or a Special Benefit



Notes

- 1 Proportion shows:
 - a numbers of 18-59 year olds recorded in SWIFTT as receiving a core benefit at 30 June, divided by
 - b Statistics New Zealand final estimate of the resident population aged 18-59 years at 30 June.
- 2 Proportion shows:
 - a numbers of 18-59 year olds registered in SOLO as job seekers at 30 June, divided by
 - b Statistics New Zealand final estimate of the resident population aged 18-59 years at 30 June.
- 3 Proportion shows:
 - a numbers of people aged 18 years or over who are recorded in SWIFTT as receiving one or more supplementary benefits and/or a Special Benefit at 30 June, divided by
 - b Statistics New Zealand final estimate of the resident population aged 18 years or over at 30 June.

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

Since 2000, around 94% of people aged 65 years or over have been receiving New Zealand Superannuation or a Veterans’ Pension.

Summary information on use of core benefits

Trends in the number of clients receiving a core benefit

Decreases since 2000 in the number of clients receiving a core benefit (see Table 2.5) reflect the combination of economic changes, policy changes and operational factors outlined above. Over this period, there have been increases in the proportion of core benefit recipients who were receiving:

- a carers’ benefit (from 29% to 34%)
- an Invalids’ Benefit (from 15% to 22%)
- a sickness-related benefit (from 9% to 14%).

Over the same period, the proportion of core benefit recipients who were receiving an unemployment-related benefit has decreased (from 39% to 24%) (see Table 2.5).

table 2.5 Trends in the types of core benefit received

Type of core benefit received at 30 June	Clients receiving a core benefit ¹				
	2000 Number	2001 Number	2002 Number	2003 Number	2004 Number
Unemployment-related benefits ²	149,453	135,127	122,122	107,469	76,765
Carers' benefits ³	108,939	107,821	108,009	109,295	109,526
Sickness-related benefits ⁴	32,294	33,620	36,380	39,902	44,128
Invalids' Benefit	55,392	59,812	64,529	68,507	72,342
Widows' Benefit	9,104	8,900	8,774	8,659	8,413
Unsupported Child's Benefit/Orphan's Benefit	5,799	6,075	6,332	6,789	7,051
Transitional Retirement Benefit	8,856	9,012	5,118	2,110	0
Emergency Benefit	9,707	9,722	7,810	8,728	8,947
Total	379,544	370,089	359,074	351,459	327,172

Notes

- 1 Numbers of clients recorded in SWIFT as receiving a core benefit at 30 June.
- 2 Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people or to those in training, and Independent Youth Benefits.
- 3 Includes Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Caring for the Sick and Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.
- 4 Includes Sickness Benefits and Sickness Benefits – Hardship.

The characteristics of core benefit recipients have changed since 2000. Over this period, the proportion of core benefit recipients who had received their current core benefit for over four years has increased (from 25% to 33%) (see Table 2.7). Over the same period, between 35% and 38% of core benefit recipients were aged 25–39 years, while between 17% and 20% were aged 16–24 years and between 22% and 25% were aged 45–59 years (see Table 2.6).

These changes reflect:

- differences in the impact on groups of Work and Income clients of the economic, policy and operational factors outlined above
- demographic changes, including an ageing population, people having children later and increased migration from overseas.

table 2.6 Trends in the ages of core benefit recipients

Age of client at 30 June	Clients receiving a core benefit ¹				
	2000 Number	2001 Number	2002 Number	2003 Number	2004 Number
16–19 years	25,797	23,425	21,854	20,861	17,546
20–24 years	51,135	47,672	45,306	43,072	36,803
25–29 years	49,267	45,574	42,577	40,107	36,216
30–34 years	47,507	46,070	44,427	42,717	38,989
35–39 years	46,590	44,235	42,515	41,318	38,449
40–44 years	38,015	37,941	38,027	38,343	36,732
45–49 years	29,290	29,491	29,542	29,938	29,036
50–54 years	26,737	26,602	26,160	25,936	25,432
55–59 years	27,670	27,214	27,349	28,140	27,204
60–64 years	32,420	36,340	35,346	34,266	33,288
65 years or over	5,113	5,524	5,971	6,761	7,477
Unspecified	3	1	0	0	0
Total	379,544	370,089	359,074	351,459	327,172

Note

- 1 Numbers of clients recorded in SWIFT as receiving a core benefit at 30 June.

table 2.7 Trends in the length of current spells receiving core benefits

Length of current spell at 30 June	Clients receiving a core benefit ¹				
	2000 Number	2001 Number	2002 Number	2003 Number	2004 Number
Under 6 months	89,081	84,681	82,195	78,671	69,318
6 months – 2 years	127,469	112,101	106,876	103,017	90,445
2–4 years	67,330	72,840	66,695	60,591	58,805
Over 4 years	95,664	100,467	103,308	109,180	108,604
Total	379,544	370,089	359,074	351,459	327,172

Note

¹ Numbers of clients recorded in SWIFT as receiving a core benefit at 30 June.

Since 2002, between 46% and 49% of core benefit recipients have been New Zealand Europeans, while around 30% have been Māori and between 12% and 15% have identified with “Other” ethnic groups (see [Table 2.8](#)). The reduction between 2001 and 2002 in the proportion of core benefit recipients without a coded ethnicity (see [Table 2.8](#)) largely reflects operational improvements in the recording of ethnicity. These improvements resulted in increases in the proportion of core benefit recipients recorded as identifying as Māori, as New Zealand European, and as members of “Other” ethnic groups.

table 2.8 Trends in the ethnicity of core benefit recipients

Recorded ethnicity at 30 June	Clients receiving a core benefit ¹				
	2000 Number	2001 Number	2002 Number	2003 Number	2004 Number
Māori	99,429	97,967	107,524	106,631	99,957
Pacific peoples	27,964	27,449	26,966	26,501	24,868
Other ethnic groups	34,477	34,413	41,956	51,194	48,080
New Zealand European	169,040	165,993	174,032	162,527	149,036
Not coded	48,634	44,267	8,596	4,606	5,231
Total	379,544	370,089	359,074	351,459	327,172

Note

¹ Numbers of clients recorded in SWIFT as receiving a core benefit at 30 June.

Trends in core benefits granted

Decreases since 1999/2000 in the number of core benefits granted each year (see [Table 2.9](#)) reflect improved economic conditions and reductions in transfers between benefits resulting from policy changes.

Of the core benefits granted in each year since 1999/2000 (see [Table 2.9](#)):

- between 40% and 43% have been provided to clients who have not received a core benefit in the last 12 months
- between 25% and 28% have been provided to clients who have not received a core benefit in the last four years
- between 26% and 28% involved clients transferring between core benefits.

table 2.9 Trends in the length of period since clients granted core benefits last received any core benefit

Period since client last received any core benefit	Core benefits granted ¹				
	1999/2000 Number	2000/2001 Number	2001/2002 Number	2002/2003 Number	2003/2004 Number
None (administrative transfers of people continuing to receive some core benefit)	82,018	77,580	75,402	71,315	70,375
Under 6 months	51,572	52,385	51,730	49,634	45,821
6–12 months	43,404	45,346	43,616	40,612	35,809
12–18 months	13,016	12,940	12,758	12,622	11,241
18 months – 2 years	12,080	9,883	10,082	9,950	8,937
2–4 years	18,943	18,972	18,370	17,817	16,854
Never received core benefit in last 4 years	86,912	83,614	77,553	73,984	64,483
Total	307,945	300,720	289,511	275,934	253,520

Note

¹ Numbers of successful applications for core benefits recorded in SWIFTT during years ended 30 June.

Since 1999/2000, the proportion of core benefits granted that were sickness-related benefits has increased from 12% to 19%, while the proportion accounted for by unemployment-related benefits has decreased from 67% to 55% (see [Table 2.10](#)).

table 2.10 Trends in the types of core benefit granted

Type of core benefit granted	Core benefits granted ¹				
	1999/2000 Number	2000/2001 Number	2001/2002 Number	2002/2003 Number	2003/2004 Number
Unemployment-related benefits ²	206,549	195,963	184,195	167,080	139,450
Carers' benefits ³	39,081	38,921	37,484	37,625	37,446
Sickness-related benefits ⁴	36,656	38,574	41,842	44,017	48,355
Invalids' Benefit	10,029	10,111	11,250	11,276	11,833
Widows' Benefit	2,024	2,002	2,015	2,150	2,017
Unsupported Child's Benefit/Orphan's Benefit	3,226	3,290	3,122	3,396	3,277
Transitional Retirement Benefit	4,450	4,454	3,576	2,981	1,242
Emergency Benefit	5,930	7,405	6,027	7,409	9,900
Total	307,945	300,720	289,511	275,934	253,520

Notes

¹ Numbers of successful applications for core benefits recorded in SWIFTT during years ended 30 June.

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

³ Includes Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Caring for the Sick and Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.

⁴ Includes Sickness Benefits and Sickness Benefits – Hardship.

Trends in core benefits ceased

Reductions since 1999/2000 in the number of core benefits ceased each year (see [Table 2.11](#)) reflect:

- the reduction in administrative transfers between benefits once the implementation of policy changes was completed
- the reduction in total numbers receiving core benefits (which in turn reflects improved economic conditions and increased case management of clients following the extension of the work testing of core benefits).

Since 2000/2001, the proportion of core benefits ceased in each year accounted for by unemployment-related benefits has decreased from 68% to 62% (see [Table 2.11](#)).

Of the core benefits ceased in each year since 1999/2000 (see [Table 2.12](#)):

- around 34% have reflected clients entering paid work
- around 26% have reflected clients transferring to another core benefit.

table 2.11 Trends in the types of core benefits ceased

Type of core benefit ceased	Core benefits ceased ¹				
	1999/2000 Number	2000/2001 Number	2001/2002 Number	2002/2003 Number	2003/2004 Number
Unemployment-related benefits ²	215,049	210,995	198,323	184,191	172,636
Carers' benefits ³	40,317	39,413	37,836	36,929	37,869
Sickness-related benefits ⁴	37,447	36,965	38,817	40,490	43,259
Invalids' Benefit	5,916	5,567	6,392	7,146	8,129
Widows' Benefit	2,141	2,194	2,127	2,335	2,307
Unsupported Child's Benefit/Orphan's Benefit	2,809	2,968	2,859	2,895	3,015
Transitional Retirement Benefit	4,302	4,332	7,517	6,050	3,355
Emergency Benefit	6,530	7,453	7,938	6,302	9,431
Total	314,511	309,887	301,809	286,338	280,001

Notes

- 1 Numbers of cessations of core benefits recorded in SWIFTT during years ended 30 June.
- 2 Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to those in training, and Independent Youth Benefits.
- 3 Includes Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Caring for the Sick and Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.
- 4 Includes Sickness Benefits and Sickness Benefits – Hardship.

table 2.12 Trends in reasons for ceasing core benefits

Reason core benefit ceased	Core benefits ceased ¹				
	1999/2000 Number	2000/2001 Number	2001/2002 Number	2002/2003 Number	2003/2004 Number
Obtained paid work	110,317	108,247	105,276	98,603	95,824
Transferred to another core benefit	81,984	78,746	79,050	74,519	73,522
Other	122,210	122,894	117,483	113,216	110,655
Total	314,511	309,887	301,809	286,338	280,001

Note

- 1 Numbers of cessations of core benefits recorded in SWIFTT during years ended 30 June.

Trends in core benefit and pension expenditure

Please note that expenditure data provided in [Tables 2.13](#) and [2.14](#) excludes expenditure on supplementary benefits paid to recipients of the core benefit shown, while expenditure data provided in Section 3 of this report does not.

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

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

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

Decreases since 2001/2002 in core benefit expenditure (see [Table 2.13](#)) largely reflect decreases in the number of clients receiving core benefits.

Since 1999/2000, carers' benefits have accounted for between 33% and 36% of expenditure on core benefits (see [Table 2.13](#)). Over the same period, the proportion of annual core benefit expenditure accounted for by Invalids' Benefits has increased (from 16% to 23%), while that accounted for by unemployment-related benefits has decreased (from 38% to 26%) (see [Table 2.13](#)).

These changes reflect the changes indicated earlier in the types of core benefits provided to core benefit recipients.

Increases since 1999/2000 in pension expenditure (see [Table 2.13](#)) reflect:

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

Over this period, New Zealand Superannuation has accounted for around 98% of total expenditure on pensions (see [Table 2.13](#)).

table 2.13 Trends in expenditure on core benefits and pensions

Type of core benefit or pension	Expenditure on core benefits and pensions ^{1,2}				
	1999/2000 Amount(\$m)	2000/2001 Amount(\$m)	2001/2002 Amount(\$m)	2002/2003 Amount(\$m)	2003/2004 Amount (\$m)
Unemployment-related benefits and Emergency Benefit ^{3,5}	1,375	1,298	1,186	1,102	939
Carers' benefits ^{3,6}	1,192	1,201	1,250	1,260	1,303
Sickness-related benefits ^{3,7}	294	297	318	356	398
Invalids' Benefit ³	570	627	698	766	817
Widows' Benefit ³	78	77	77	79	78
Unsupported Child's Benefit/Orphan's Benefit ³	35	38	41	46	51
Transitional Retirement Benefit ³	105	107	81	39	9
Total core benefit expenditure³	3,649	3,646	3,652	3,650	3,594
New Zealand Superannuation ⁴	4,199	4,358	4,531	4,644	4,837
Veterans' Pension ⁴	70	75	80	84	91
Total pensions expenditure⁴	4,269	4,432	4,611	4,728	4,928
Total expenditure on core benefits and pensions	7,918	8,078	8,263	8,377	8,521

Notes

- 1 Expenditure for years ended 30 June. Expenditure shown is calculated on an accrual basis and excludes debt established.
- 2 Expenditure data in this table differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.
- 3 Expenditure on core benefits excludes tax paid on core benefits and excludes supplementary benefits provided to core benefit recipients.
- 4 Expenditure on pensions excludes tax estimated at the "M" tax rate, and excludes supplementary benefits provided to pension recipients. Expenditure on pensions paid to recipients living in the United Kingdom is also excluded.
- 5 Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to those in training, and Independent Youth Benefits. Also includes Emergency Benefits paid to unemployed people or trainees since 1 October 1998, and Emergency Unemployment Benefits paid prior to 1 October 1998.
- 6 Includes Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Caring for the Sick and Infirm, Domestic Purposes Benefit – Women Alone, and Emergency Maintenance Allowances.
- 7 Includes Sickness Benefits and Sickness Benefits – Hardship.

Trends in the proportion of Gross Domestic Product accounted for by core benefit and pension expenditure

Reductions since 1999/2000 in the proportion of Gross Domestic Product accounted for by core benefit and pension expenditure (excluding supplementary benefits) (see [Table 2.14](#)) reflect:

- increases in Gross Domestic Product
- accelerating increases in pension expenditure
- relatively static core benefit expenditure between 1999/2000 and 2002/2003, followed by a significant decrease in core benefit expenditure in 2003/2004.

table 2.14 Proportion of Gross Domestic Product accounted for by core benefit and pension expenditure

Type of expenditure	Expenditure on core benefits and pensions ^{1,2}				
	1999/2000	2000/2001	2001/2002	2002/2003	2003/2004
Total expenditure on core benefits (\$m) ³	3,649	3,646	3,652	3,650	3,594
Total expenditure on pensions (\$m) ⁴	4,269	4,432	4,611	4,728	4,928
Total expenditure on core benefits and pensions (\$m)	7,918	8,078	8,263	8,377	8,521
Percentage of Gross Domestic Product ⁵	7.2%	6.9%	6.6%	6.4%	6.1%

Notes

- Expenditure on core benefits and pensions for years ended 30 June. Expenditure shown is calculated on an accrual basis and excludes debt 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.
- Expenditure on core benefits excludes tax paid on core benefits and excludes supplementary benefits provided to core benefit recipients.
- Expenditure on pensions excludes tax estimated at the "M" tax rate and excludes supplementary benefits provided to pension recipients. Expenditure on pensions also excludes expenditure on pensions paid to recipients in the United Kingdom.
- Total combined core benefit and pension expenditure for years ended 30 June as a percentage of current dollar expenditure on Gross Domestic Product in years ended 30 June.

Trends in the distribution of core benefit expenditure among client groups

The distribution of core benefit expenditure among groups of clients reflects a combination of factors. These factors include patterns in:

- uptake of core benefits
- the length of spells receiving core benefits
- whether or not core benefit recipients have dependent children.

Of core benefit expenditure each year since 1999/2000:

- between 37% and 41% was received by clients who were aged 25–39 years (see [Table 2.15](#))
- between 32% and 36% was received by clients who were aged 40–59 years (see [Table 2.15](#))
- between 62% and 64% was received by women (see [Table 2.16](#))
- between 45% and 48% was received by New Zealand Europeans (see [Table 2.17](#))
- around 30% was received by Māori (see [Table 2.17](#)).

table 2.15 Trends in the distribution of core benefit expenditure across age groups

Age of client when payment made	Percentage of expenditure on core benefits ^{1,2}				
	1999/2000 Per cent	2000/2001 Per cent	2001/2002 Per cent	2002/2003 Per cent	2003/2004 Per cent
16–19 years	5.2	5.1	4.8	4.7	4.5
20–24 years	12.4	11.9	11.7	11.5	11.1
25–29 years	13.8	13.1	12.6	12.2	11.8
30–39 years	27.2	26.5	26.1	25.9	25.6
40–49 years	18.0	18.4	18.9	19.6	20.2
50–59 years	14.2	14.5	14.7	15.0	15.4
60–64 years	7.9	9.1	9.6	9.5	9.4
65 years or over	1.2	1.3	1.5	1.7	2.0
Unspecified	0.0	0.0	0.0	0.0	0.0
Total	100.0	100.0	100.0	100.0	100.0

Notes

- Percentage of expenditure on core benefits for years ended 30 June.
- Excludes tax paid on core benefits and excludes expenditure on supplementary benefits provided to clients receiving a core benefit.

table 2.16 Trends in the distribution of core benefit expenditure across gender groups

Gender of client	Percentage of expenditure on core benefits ^{1,2}				
	1999/2000 Per cent	2000/2001 Per cent	2001/2002 Per cent	2002/2003 Per cent	2003/2004 Per cent
Female	61.5	61.9	62.5	63.2	64.2
Male	38.5	38.1	37.5	36.8	35.8
Unspecified	0.0	0.0	0.0	0.0	0.0
Total	100.0	100.0	100.0	100.0	100.0

Notes

- 1 Percentage of expenditure on core benefits for years ended 30 June.
- 2 Excludes tax paid on core benefits and excludes expenditure on supplementary benefits provided to clients receiving a core benefit.

table 2.17 Trends in the distribution of core benefit expenditure across ethnic groups

Ethnic group client identifies with at end of year shown	Percentage of expenditure on core benefits ^{1,2}				
	1999/2000 Per cent	2000/2001 Per cent	2001/2002 Per cent	2002/2003 Per cent	2003/2004 Per cent
Māori	30.0	30.0	30.1	30.4	30.8
Pacific peoples	7.6	7.7	7.8	7.8	7.8
Other ethnic group	13.7	14.1	14.7	15.3	15.2
New Zealand European	47.7	47.5	46.9	45.6	44.9
Unspecified	1.0	0.6	0.5	0.9	1.3
Total	100.0	100.0	100.0	100.0	100.0

Notes

- 1 Percentage of expenditure on core benefits for years ended 30 June.
- 2 Excludes tax paid on core benefits and excludes expenditure on supplementary benefits provided to clients receiving a core benefit.

Children dependent on core benefit recipients and on registered job seekers

Trends in the number of children dependent on core benefit recipients

Decreases since 2000 in the number of children dependent on core benefit recipients (see [Table 2.18](#)) reflect decreases in the total number of people receiving core benefits. Since 2000, around 87% of the children dependent on core benefit recipients have been aged 14 years or under (see [Table 2.18](#)). By law, children aged under 14 years require supervision at all times.

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

Age of child at 30 June	Children dependent on core benefit recipients ¹				
	2000 Number	2001 Number	2002 Number	2003 Number	2004 Number
0–4 years	86,609	83,146	80,459	78,638	76,297
5–9 years	87,835	83,848	81,035	79,700	76,774
10–14 years	74,027	74,036	73,442	72,917	70,505
15–17 years	29,979	29,256	29,007	30,198	30,680
18–19 years	1,813	1,631	1,692	1,695	1,706
20 years or over	11	7	3	1	0
Unspecified	0	0	0	0	0
Total	280,274	271,924	265,638	263,149	255,962

Note

- 1 Numbers of children dependent on carers who were recorded in SWIFT as receiving a core benefit at 30 June.

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

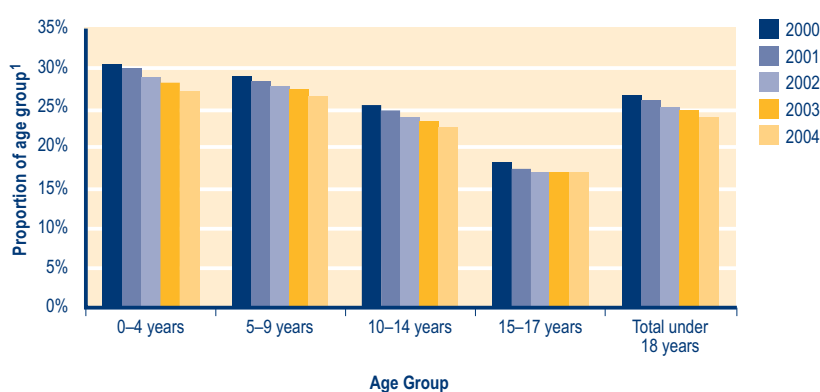
Decreases since 2000 in the proportion of all children aged under 18 years who were dependent on core benefit recipients (see [Figure 2.2](#)) reflect:

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

Since 2000, the prevalence of children aged under 18 years who were dependent on core benefit recipients has decreased slightly with the increasing age of the child (see [Figure 2.2](#)).

figure
22

Trends in the proportion of children aged under 18 years dependent on core benefit recipients, by age



Note

¹ Proportion shows:

- numbers of children in age group dependent on people recorded in SWIFTT as receiving core benefits at 30 June, divided by
- Statistics New Zealand final estimate of the resident population in age group at 30 June.

See [Table A3.2](#) (Appendix 3) for a summary of the SWIFTT data underlying [Figure 2.2](#).

Trends in the number of children dependent on registered job seekers

Decreases since 2000 in the number of children dependent on registered job seekers (see [Table 2.19](#)) reflect decreases in the total number of registered job seekers. Since 2000, between 84% and 86% of children dependent on registered job seekers have been aged 14 years or under (see [Table 2.19](#)). By law, children aged under 14 years require supervision at all times.

table
2.19

Trends in the ages of children dependent on registered job seekers

Age of child at 30 June ¹	Children dependent on registered job seekers ²				
	2000 Number	2001 Number	2002 Number	2003 Number	2004 Number
0-4 years	25,670	19,546	16,922	16,650	13,819
5-9 years	41,938	32,090	27,035	22,364	15,790
10-14 years	41,237	34,705	31,276	25,853	17,176
15-17 years	16,990	14,310	13,086	11,328	7,824
18-19 years	1,037	831	785	710	492
20 years or over	7	5	2	1	0
Unspecified	0	0	0	0	0
Total	126,879	101,487	89,106	76,906	55,101

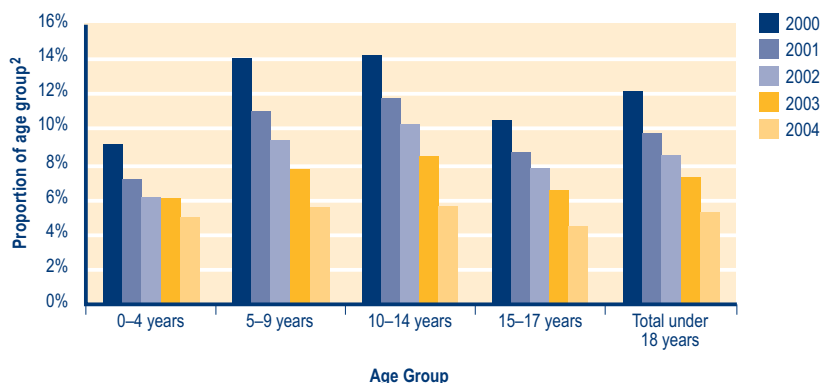
Notes

- Information on numbers and ages of dependent children is only available for job seekers who were also receiving financial assistance from Work and Income. At each of the dates shown, around 95% of registered job seekers were receiving such assistance.
- Numbers of children dependent on registered job seekers registered in SOLO at 30 June.

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

Decreases since 2000 in the proportion of children aged under 18 years who were dependent on registered job seekers (see Figure 2.3) reflect decreases in the numbers of registered job seekers.

figure 2.3 Trends in the proportion of children aged under 18 years dependent on registered job seekers, by age¹



Notes

- 1 Information on numbers and ages of dependent children is only available for job seekers who were also receiving financial assistance from Work and Income. At each of the dates shown, around 95% of registered job seekers were receiving such assistance.
- 2 Proportion shows:
 - a numbers of children in age group dependent on job seekers registered in SOLO at 30 June, divided by
 - b Statistics New Zealand final estimate of the resident population in age group at 30 June.

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

Other income declared by recipients of core benefits

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

The assessment period for the income test is:

- annual for Domestic Purposes Benefits, Widows' Benefits, Invalids' Benefits, Transitional Retirement Benefits, and income-tested New Zealand Superannuation or Veterans' Pensions (these clients may, however, elect a weekly income assessment)
- weekly for all other core benefits (unemployment-related benefits, sickness-related benefits, Emergency Benefits, Orphan's Benefits and Unsupported Child's Benefits) and for all supplementary benefits.

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

- people receiving an Invalids' Benefit can earn an additional \$1,040 per year of personal earnings (before tax) without having their core benefit payments reduced (special conditions apply for people receiving an Invalids' Benefit because of blindness)
- people receiving a Widows' Benefit or a Domestic Purposes Benefit – Sole Parents who are paying for childcare can earn an additional \$1,040 (before tax) before their core benefit payments are reduced
- people with a severe disability may have some or all of their personal earnings exempted from an income test.

Between 1 February 1999 and 10 March 2003, people receiving a Domestic Purposes Benefit or a Widows' Benefit who had no dependent children, or whose youngest dependent child was

aged 14 years or over, were subject to a full-time work test. During this period, these clients also had any additional income abated under the same regime as people receiving an Unemployment Benefit.

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

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

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

Trends in the number of core benefit recipients declaring other income

Decreases since 1999/2000 in the number of core benefit recipients declaring other income (see [Table 2.20](#)) reflect decreases in the total number of people receiving core benefits. In each year since 1999/2000, about 21% of core benefit recipients have declared other income (see [Table 2.20](#)).

Since 1999/2000, there have been increases in the proportions of core benefit recipients declaring other income who:

- declared income of over \$80 per week before tax (from 57% to 62%) (see [Table 2.20](#))
- were receiving a carers' benefit (from 32% to 39%) (see [Table 2.21](#))
- were receiving an Invalids' Benefit (from 16% to 23%) (see [Table 2.21](#)).

Over the same period, the proportion of core benefit recipients declaring other income who were receiving an unemployment-related benefit has decreased (from 34% to 21%) (see [Table 2.21](#)).

table
2.20

Trends in the levels of other income declared by core benefit recipients

Level of other income declared ¹	Core benefit recipients ²				
	1999/2000 Number	2000/2001 Number	2001/2002 Number	2002/2003 Number	2003/2004 Number
None or under \$1	291,579	283,409	276,212	271,902	252,912
Income declared					
\$1 – <\$40	19,145	17,748	16,134	14,747	13,322
\$40 – <\$80	16,463	15,738	14,488	13,444	12,240
\$80 – <\$120	16,577	16,534	15,920	15,136	13,724
\$120 – <\$160	8,904	8,874	8,665	8,321	7,537
\$160 – <\$180	3,388	3,537	3,423	3,347	3,041
\$180 – <\$200	3,184	3,136	3,179	3,058	2,871
\$200 or over	14,505	15,038	14,721	14,715	14,474
Total declaring income³	82,166	80,605	76,530	72,768	67,209
Total	373,745	364,014	352,742	344,670	320,121

Notes

- ¹ Income per week before tax; based on last declaration effective in the year ended 30 June. The income declarations referred to here may include income received over part or all of the year ended 30 June, and may also include income received over parts of earlier or later years.
- ² Numbers of clients recorded in SWIFTT as receiving a core benefit other than Unsupported Child's Benefits or Orphan's Benefits at 30 June. Clients receiving only an Unsupported Child's Benefit or Orphan's Benefit are excluded because the income test for these benefits applies to the child for whom the benefit is paid, not to the client receiving the benefit.
- ³ Numbers of core benefit recipients with one or more income declarations effective in the year ended 30 June.

table
2.21

Trends in the types of core benefit received by people declaring other income

Type of core benefit received at time income declared ¹	Core benefit recipients declaring other income ²				
	1999/2000 Number	2000/2001 Number	2001/2002 Number	2002/2003 Number	2003/2004 Number
Unemployment-related benefits ³	27,684	24,860	22,212	19,380	14,168
Carers' benefits ⁴	26,295	26,969	26,951	26,439	26,087
Sickness-related benefits ⁵	5,101	5,069	5,222	5,578	6,144
Invalids' Benefit	13,109	13,883	14,645	15,328	15,758
Widows' Benefit	4,228	4,120	4,008	4,008	3,957
Transitional Retirement Benefit	4,855	4,913	2,798	1,094	0
Emergency Benefit	894	791	694	941	1,095
Total	82,166	80,605	76,530	72,768	67,209

Notes

- 1 Type of core benefit received at the time when the last income declaration effective in the year to 30 June was made.
- 2 Numbers of core benefit recipients with one or more income declarations effective in the years ended 30 June. The income declarations referred to here may include income received over part or all of the year ended 30 June, and may also include income received over parts of earlier or later years.
- 3 Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to people in training, and Independent Youth Benefits.
- 4 Includes Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Caring for the Sick and Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.
- 5 Includes Sickness Benefits and Sickness Benefits – Hardship.

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

Introduction

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

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

Unemployment-related benefits

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

Between 1 January 1998 and 30 September 1998, a Young Job Seeker Allowance was available to 18–24 year olds who had been registered as job seekers for less than 13 weeks. After 1 October 1998, Young Job Seeker Allowances were grouped with the Unemployment Benefit as a Community Wage – Job Seeker.

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

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

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

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

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

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

Eligibility for unemployment-related benefits

Unemployment Benefit

An Unemployment Benefit is available to people who are:

- available for and actively seeking full-time work
- not already in full-time employment
- willing and able to undertake suitable full-time work.

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

- aged 18 years or over, or
- aged 16 or 17 years, and living with a spouse or partner and dependent children.

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

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

Other work test requirements added during the 2003/2004 financial year include a requirement to:

- take drug tests if required to by a prospective employer (from 10 October 2003)
- commute to seek and undertake paid work if there is no such work available in their local area (from 8 March 2004).

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

- aged 18 years or over, or
- aged 16 or 17 years, and living with a spouse or partner and dependent children.

Income and residency qualifications apply.

Prior to 1 January 1998, a Training Benefit was available to people aged 16 years or over who undertook approved employment-related training. Since the introduction of the youth income support policy on 1 January 1998, 16 and 17 year olds in training have not been eligible to receive an Unemployment Benefit unless they were living with a spouse or partner and dependent children, although an Independent Youth Benefit may have been available in some circumstances. This made a major contribution to the fall over the last four years in the number of young people receiving an Unemployment Benefit while in training.

Unemployment Benefit – Hardship

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

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

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

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

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

Independent Youth Benefit

An Independent Youth Benefit is available to 16 and 17 year olds who, for some serious reason, cannot live with their parents, cannot get financial support from their parents or anyone else, and are:

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

Residency and income tests apply. From 1 January 1998, an Independent Youth Benefit was no longer available to 16 and 17 year olds who had moved away from home in search of work when no family breakdown had occurred. Since 1998, most young people receiving an Independent Youth Benefit have been young job seekers.

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

Decreases since 2000 in the number of clients receiving an unemployment-related benefit (see [Table 3.1](#)) largely reflect:

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

Since 2000, between 91% and 95% of clients receiving an unemployment-related benefit have been unemployed rather than in training (see [Table 3.1](#)).

table
3.1

Trends in unemployment-related benefits received

Benefits received by client groups at 30 June	Clients receiving an unemployment-related benefit ¹				
	2000 Number	2001 Number	2002 Number	2003 Number	2004 Number
Unemployment Benefit paid to unemployed people	139,042	124,561	111,990	97,485	67,817
Unemployment Benefit paid to people in training	3,646	3,664	3,867	4,083	4,222
Unemployment Benefit – Hardship paid to unemployed people	2,995	3,032	2,997	2,824	1,954
Unemployment Benefit – Hardship paid to people in training	109	102	123	208	252
Unemployment Benefit – Hardship paid to students	95	133	147	167	233
Independent Youth Benefit	3,566	3,635	2,998	2,702	2,287
Total	149,453	135,127	122,122	107,469	76,765

Note

¹ Numbers of clients recorded in SWIFTT as receiving an unemployment-related benefit at 30 June.

Of the clients receiving an unemployment benefit since 2000:

- around 20% have been aged 45–59 years (see [Table 3.2](#))
- between 36% and 39% had been doing so for less than six months (see [Table 3.3](#)).

Since 2000, there have been increases in the proportions of recipients of an unemployment-related benefit who:

- were aged 60–64 years (from 5% to 14%) (see [Table 3.2](#)) – this largely reflects increases in the age of eligibility for New Zealand Superannuation
- had received their current benefit for over four years (from 5% to 15%) (see [Table 3.3](#)).

Over the same period, there have been decreases in the proportions of recipients of an unemployment-related benefit who:

- were aged 25–39 years (from 34% to 29%) (see [Table 3.2](#))
- have been receiving an unemployment-related benefit for between six months and two years (from 46% to 32%) (see [Table 3.3](#)).

table 3.2 Trends in the ages of recipients of an unemployment-related benefit

Ages of client at 30 June	Clients receiving an unemployment-related benefit ^{1,2}				
	2000 Number	2001 Number	2002 Number	2003 Number	2004 Number
15–19 years	19,057	16,694	14,960	13,477	9,767
20–24 years	28,476	24,791	22,136	19,058	12,695
25–29 years	20,116	17,448	15,057	12,626	8,676
30–34 years	16,344	14,543	12,784	10,747	7,284
35–39 years	14,677	12,828	10,879	9,063	6,235
40–44 years	12,511	11,392	10,054	8,546	5,821
45–49 years	10,424	9,582	8,526	7,290	5,090
50–54 years	9,394	8,740	7,633	6,452	4,510
55–59 years	9,865	9,213	8,870	8,379	5,161
60–64 years	8,122	9,416	10,454	10,889	10,526
65 years or over	466	480	769	942	1,000
Unspecified	1	0	0	0	0
Total	149,453	135,127	122,122	107,469	76,765

Notes

- 1 Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people or to those in training, and Independent Youth Benefits.
- 2 Numbers of clients recorded in SWIFT as receiving an unemployment-related benefit at 30 June.

table 3.3 Trends in the length of current spells receiving an unemployment-related benefit

Length of current spell at 30 June	Clients receiving an unemployment-related benefit ^{1,2}				
	2000 Number	2001 Number	2002 Number	2003 Number	2004 Number
Under 6 months	53,411	48,008	44,972	40,079	30,022
6 months – 2 years	68,402	49,438	42,964	37,729	24,493
2–4 years	20,574	28,908	24,071	14,485	10,395
Over four years	7,066	8,773	10,115	15,176	11,855
Total	149,453	135,127	122,122	107,469	76,765

Notes

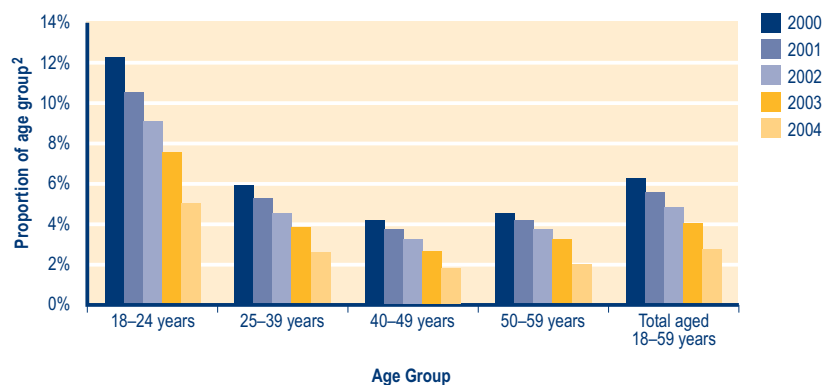
- 1 Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to people in training, and Independent Youth Benefits.
- 2 Numbers of clients recorded in SWIFT as receiving an unemployment-related benefit at 30 June.

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

Trends in the proportion of 18–59 year olds receiving an unemployment-related benefit

The proportion of 18–59 year olds receiving an unemployment-related benefit has decreased since 2000 (see [Figure 3.1](#)). This reflects the economic, policy and operational factors outlined earlier.

figure 3.1 Trends in the proportion of 18–59 year olds receiving an unemployment-related benefit¹, by age



Notes

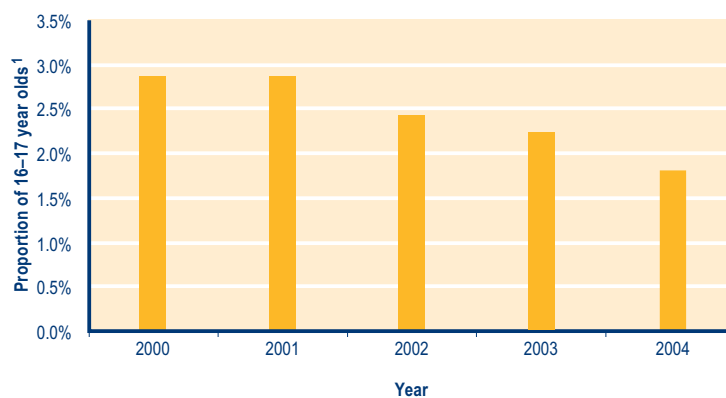
- 1 Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to people in training, and Independent Youth Benefits.
- 2 Proportion shows:
 - a number in age group who are recorded in SWIFTT as receiving an unemployment-related benefit at 30 June, divided by
 - b Statistics New Zealand final estimate of the resident population in age group at 30 June.

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

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

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

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



Note

- 1 Proportion shows:
 - a number of 16 and 17 year olds recorded in SWIFTT as receiving an Independent Youth Benefit at 30 June, divided by
 - b Statistics New Zealand final estimate of the resident population of 16 and 17 year olds at 30 June.

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

Trends in unemployment-related benefits granted

Decreases since 1999/2000 in the numbers of unemployment-related benefits granted each year (see [Table 3.4](#)) reflect:

- improved economic conditions
- reduced transfers between benefits following policy changes.

Of the unemployment-related benefits granted in each year since 1999/2000:

- between 40% and 43% have been provided to clients who had not received a core benefit in the last 12 months (see [Table 3.4](#))
- between 19% and 22% have reflected clients transferring between core benefits (see [Table 3.4](#))
- between 75% and 77% have been Unemployment Benefits paid to unemployed people (see [Table 3.5](#)).

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

Period since client last received any core benefit	Unemployment-related benefits granted ^{1,2}				
	1999/2000 Number	2000/2001 Number	2001/2002 Number	2002/2003 Number	2003/2004 Number
None (administrative transfer of clients who continue receiving some core benefit)	43,508	39,670	36,381	31,949	30,249
Under 6 months	37,705	36,989	35,936	32,467	26,719
6–12 months	36,110	37,297	35,216	31,930	26,396
12–18 months	8,929	8,709	8,438	7,935	6,358
18 months – 2 years	9,101	6,809	6,904	6,633	5,385
2–4 years	12,864	12,373	11,654	10,757	8,990
Not received a core benefit in previous four years	58,332	54,116	49,666	45,409	35,353
Total	206,549	195,963	184,195	167,080	139,450

Notes

- 1 Includes Unemployment Benefits and Unemployment Benefits – Hardship granted to unemployed people and to people in training, and Independent Youth Benefits.
- 2 Numbers of successful applications for unemployment-related benefits recorded in SWIFTT during years ended 30 June.

table 3.5 Trends in unemployment-related benefits granted

Benefits granted to client groups	Unemployment-related benefits granted ¹				
	1999/2000 Number	2000/2001 Number	2001/2002 Number	2002/2003 Number	2003/2004 Number
Unemployment Benefit granted to unemployed people	159,689	150,202	143,241	129,502	104,029
Unemployment Benefit granted to people in training	13,149	12,097	10,291	9,420	9,634
Unemployment Benefit – Hardship granted to unemployed people	3,635	3,029	2,685	2,488	1,854
Unemployment Benefit – Hardship granted to people in training	300	308	270	308	403
Unemployment Benefit – Hardship granted to students	24,903	25,133	22,992	20,629	19,052
Independent Youth Benefit	4,873	5,194	4,716	4,733	4,478
Total	206,549	195,963	184,195	167,080	139,450

Note

¹ Numbers of successful applications for unemployment-related benefits recorded in SWIFTT during years ended 30 June.

Trends in cessations of unemployment-related benefits

Decreases since 1999/2000 in the annual number of cessations of unemployment-related benefits (see [Table 3.6](#)) reflect decreases in the numbers of recipients of unemployment-related benefits. This in turn reflects operational changes, policy changes and improved economic conditions.

Of the cessations of unemployment-related benefits each year since 1999/2000:

- around 42% have reflected clients entering paid work (see [Table 3.6](#))
- between 20% and 22% have reflected clients transferring to another core benefit (see [Table 3.6](#))
- about 78% have involved Unemployment Benefits that had been paid to unemployed people (see [Table 3.7](#)).

table 3.6 Trends in reasons for cessations of unemployment-related benefits

Reason for cessation	Cessations of unemployment-related benefits ^{1,2}				
	1999/2000 Number	2000/2001 Number	2001/2002 Number	2002/2003 Number	2003/2004 Number
Obtained paid work	92,315	89,115	85,929	78,537	72,652
Transferred to another core benefit	43,695	42,312	39,576	37,672	37,954
Other	79,039	79,568	72,818	67,982	62,030
Total	215,049	210,995	198,323	184,191	172,636

Notes

¹ Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and those in training, and Independent Youth Benefits.

² Numbers of cessations of unemployment-related benefits recorded in SWIFTT during years ended 30 June.

table 3.7 Trends in unemployment-related benefits ceased

Benefits ceased by client groups	Cessations of unemployment-related benefits ¹				
	1999/2000 Number	2000/2001 Number	2001/2002 Number	2002/2003 Number	2003/2004 Number
Unemployment Benefit paid to unemployed people	167,692	165,346	156,325	146,160	136,194
Unemployment Benefit paid to people in training	14,925	12,147	10,537	9,260	9,498
Unemployment Benefit – Hardship paid to unemployed people	2,660	2,971	2,722	2,743	2,734
Unemployment Benefit – Hardship paid to people in training	187	320	265	228	335
Unemployment Benefit – Hardship paid to students	24,848	25,138	23,101	20,716	19,022
Independent Youth Benefit	4,737	5,073	5,373	5,084	4,853
Total	215,049	210,995	198,323	184,191	172,636

Note

¹ Numbers of cessations of unemployment-related benefits recorded in SWIFTT during years ended 30 June.

Trends in expenditure on unemployment-related benefits and Emergency Benefits¹

Annual expenditure on unemployment-related benefits and Emergency Benefits has shown a cyclical pattern since 1991/1992 (see [Table 3.8](#)).

Expenditure on unemployment-related benefits and Emergency Benefits tends to change in line with the growth of the economy. Decreased expenditure over the last four years (see [Table 3.8](#)) reflects more favourable economic conditions and a consequent decrease in unemployment.

¹ To maintain a consistent expenditure series since 1991/1992, Table 3.8 includes expenditure on Emergency Unemployment Benefits, which were available until 1 October 1998, and expenditure on Emergency Benefits thereafter.

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

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

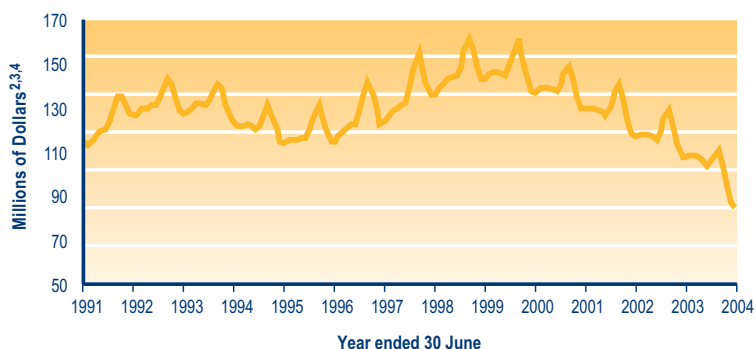
Notes

- 1 Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to people in training, and Independent Youth Benefits. Also includes Emergency Benefits paid to unemployed people or trainees since 1 October 1998, and Emergency Unemployment Benefits paid prior to 1 October 1998.
- 2 Expenditure on unemployment-related benefits or Emergency Benefits in years ended 30 June, including expenditure on supplementary benefits provided to recipients of an unemployment-related benefit or an Emergency Benefit.
- 3 Expenditure shown is net of taxation, adjusted for the number of payments of unemployment-related benefits or Emergency Benefits made during the year, and smoothed using a three-month moving average.
- 4 Expenditure data in this table differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

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

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

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



Notes

- 1 Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people or to trainees, and Independent Youth Benefits. Also includes Emergency Benefits paid to unemployed people or trainees since 1 October 1998, and Emergency Unemployment Benefits paid prior to 1 October 1998.
- 2 Monthly expenditure on unemployment-related benefits, and on supplementary benefits paid to recipients of these benefits.
- 3 Expenditure shown is net of taxation, adjusted for the number of payments in the month, and smoothed using a three-month moving average.
- 4 Expenditure data in this graph differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

Table 7.2 (see Section 7) shows trends since 1940 in expenditure on unemployment-related benefits and Emergency Benefits. Please note that expenditure on unemployment-related benefits and Emergency Benefits shown in **Table 7.2** includes:

- deductions for debt established from 1996, whereas the data in **Table 3.8** and **Figure 3.3** does not
- expenditure on supplementary benefits paid to people receiving unemployment-related benefits and Emergency Benefits.

Carers' benefits

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

From November 1996, carers could choose to transfer from fortnightly to weekly payments of their benefit, and a large number of clients took up this offer in 1996/1997. From November 1996, all new carers' benefits granted were paid weekly. This movement from fortnightly to weekly payments slowed in later years.

Eligibility for carers' benefits

Domestic Purposes Benefits

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

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

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

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

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

Domestic Purposes Benefits – Sole Parents

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

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

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

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

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

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

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

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

Domestic Purposes Benefit – Caring for the Sick or Infirm

A Domestic Purposes Benefit – Caring for the Sick or Infirm is available to people who are:

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

Residency and income qualifications must also be met.

Domestic Purposes Benefit – Women Alone

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

Emergency Maintenance Allowance

An Emergency Maintenance Allowance is available to people who do not meet the eligibility criteria for a Domestic Purposes Benefit – Sole Parents but who are alone, caring for children and unable to support themselves without financial assistance. In some circumstances, an Allowance can also be paid to clients who are experiencing domestic violence but who are still living with their partner or spouse. Most clients receiving an Emergency Maintenance Allowance are aged 16–17 years.

Trends in the number of clients receiving a carers' benefit

The number of clients receiving a carers' benefit has increased since 2001 (see [Table 3.9](#)). Since 2000, around 93% of clients receiving a carers' benefit have been receiving a Domestic Purposes Benefit – Sole Parents (see [Table 3.9](#)).

table
3.9

Trends in carers' benefits received

Type of carer's benefit received at 30 June	Clients receiving a carer's benefit ¹				
	2000 Number	2001 Number	2002 Number	2003 Number	2004 Number
Domestic Purposes Benefit – Sole Parents	102,094	100,663	100,665	101,625	101,597
Domestic Purposes Benefit – Caring for the Sick or Infirm	2,399	2,717	2,936	3,246	3,564
Domestic Purposes Benefit – Women Alone	2,796	2,799	2,869	2,962	3,049
Emergency Maintenance Allowance	1,650	1,642	1,539	1,462	1,316
Total	108,939	107,821	108,009	109,295	109,526

Note

¹ Numbers of clients recorded in SWIFTT as receiving a carers' benefit at 30 June.

Since 2000, the number of clients receiving a Domestic Purposes Benefit – Sole Parents or an Emergency Maintenance Allowance has fluctuated around a downward trend (see [Table 3.10](#)). Of the clients receiving a Domestic Purposes Benefit – Sole Parents or an Emergency Maintenance Allowance since 2000 (see [Table 3.10](#)):

- around 48% have been caring for at least one dependent child aged under five years
- around 95% have been caring for at least one dependent child aged under 15 years (by law, children aged under 14 years require supervision at all times).

table
3.10

Trends in ages of the youngest child dependent on people receiving a Domestic Purposes Benefit – Sole Parents or an Emergency Maintenance Allowance

Age of youngest dependent child at 30 June	Clients receiving a Domestic Purposes Benefit – Sole Parents or an Emergency Maintenance Allowance ¹				
	2000 Number	2001 Number	2002 Number	2003 Number	2004 Number
0–4 years	50,881	49,797	49,424	49,100	48,906
5–9 years	30,716	30,220	29,855	29,973	29,218
10–14 years	17,080	17,516	18,168	18,680	18,885
15–17 years	4,767	4,537	4,527	5,060	5,610
18–19 years	196	155	162	165	218
20 years or over	0	0	0	0	0
Not caring for children ²	104	80	68	109	76
Total	103,744	102,305	102,204	103,087	102,913

Notes

¹ Numbers of clients recorded in SWIFTT as receiving a Domestic Purposes Benefit – Sole Parents or an Emergency Maintenance Allowance at 30 June.

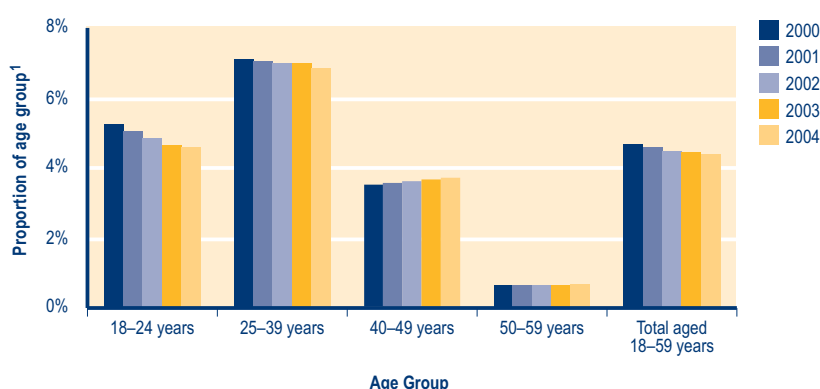
² Clients may continue to receive a Domestic Purposes Benefit – Sole Parents or an Emergency Maintenance Allowance for a short period after the child in respect of whom the benefit was paid has left their care.

Table 7.1 (see Section 7) shows trends since 1975 in the number of clients receiving carers' benefits.

Trends in the proportion of 18–59 year olds receiving a carers' benefit

Since 2000, around 4% of 18–59 year olds have been receiving a Domestic Purposes Benefit – Sole Parents or an Emergency Maintenance Allowance (see Figure 3.4). Over this period, 25–39 year olds have been more likely than 18–24 year olds or 40–59 year olds to be receiving a Domestic Purposes Benefit – Sole Parents or an Emergency Maintenance Allowance (see Figure 3.4).

figure 3.4 Trends in the proportion of 18–59 year olds receiving a Domestic Purposes Benefit – Sole Parents 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 Parents or an Emergency Maintenance Allowance at 30 June, divided by
- b Statistics New Zealand final estimate of the resident population in age group at 30 June.

See **Table A3.6** (Appendix 3) for a summary of the SWIFTT data underlying **Figure 3.4**.

Since 2000, very small numbers (under 0.2%) of people aged 18–59 years have been receiving a Domestic Purposes Benefit – Caring for the Sick and Infirm. Over the same period, a similar proportion (under 0.5%) of women aged 40–59 years has been receiving a Domestic Purposes Benefit – Women Alone.

Trends in carers' benefits granted

Since 1999/2000, the number of carers' benefits granted each year has fluctuated around a downward trend (see Table 3.11). Of the carers' benefits granted each year since 1999/2000 (see **Table 3.11**):

- between 38% and 42% have been provided to clients who have not received a core benefit for at least 12 months
- between 21% and 23% have been provided to clients who have not received a core benefit in the previous four years.

Since 1999/2000, the proportion of carers' benefits granted each year that reflected transfers between core benefits has decreased (from 35% to 30%) (see **Table 3.11**).

table 3.11 Trends in the length of period since clients granted carers' benefits last received any core benefit

Period since client last received any core benefit	Carer's benefits granted ^{1,2}				
	1999/2000 Number	2000/2001 Number	2001/2002 Number	2002/2003 Number	2003/2004 Number
None (administrative transfers of people who continued to received some core benefit)	13,550	12,637	12,149	11,557	11,345
Under 6 months	6,830	6,978	6,870	6,869	6,770
6–12 months	3,703	3,781	3,711	3,781	3,639
12–18 months	2,129	2,055	2,042	2,168	2,124
18 months – 2 years	1,512	1,563	1,469	1,504	1,568
2–4 years	3,000	3,266	3,169	3,283	3,434
Not received a core benefit in previous four years	8,357	8,641	8,074	8,463	8,566
Total	39,081	38,921	37,484	37,625	37,446

Note

- 1 Includes Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Caring for the Sick and Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.
- 2 Number of successful applications for carers' benefits recorded in SWIFTT during years ended 30 June.

The number of Domestic Purposes Benefits – Sole Parents and Emergency Maintenance Allowances granted each year has decreased slightly since 1999/2000. Of the Domestic Purposes Benefits – Sole Parents and Emergency Maintenance Allowances granted each year since 1999/2000 (see [Table 3.12](#)):

- between 61% and 64% have been provided to clients with at least one dependent child aged under five years
- between 33% and 35% have been provided to clients with at least one dependent child aged 5–14 years.

table 3.12 Trends in ages of the youngest child dependent on people granted a Domestic Purposes Benefit – Sole Parents or an Emergency Maintenance Allowance

Age of youngest dependent child when benefit granted	Domestic Purposes Benefits – Sole Parents and Emergency Maintenance Allowances granted ¹				
	1999/2000 Number	2000/2001 Number	2001/2002 Number	2002/2003 Number	2003/2004 Number
0–4 years	23,674	22,817	21,451	21,308	20,996
5–9 years	7,899	7,971	7,437	7,321	6,956
10–14 years	4,120	4,462	4,696	4,760	4,807
15–17 years	1,060	1,143	1,135	1,322	1,385
18–19 years	15	21	15	15	13
20 years or over	0	0	0	2	1
Unspecified	2	1	0	0	0
Not applicable (no child linked to the benefit) ²	106	86	83	70	68
Total	36,876	36,501	34,817	34,798	34,226

Notes

- 1 Numbers of successful applications for the Domestic Purposes Benefit – Sole Parents or the Emergency Maintenance Allowance recorded in SWIFTT during years ended 30 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 cessations of carers' benefits

The annual number of cessations of carers' benefits has increased in the last year, after decreasing over the previous four years (see [Table 3.13](#)).

Since 1999/2000, around 49% of the annual cessations of carers' benefits have reflected factors other than clients obtaining paid work or administrative transfers (see [Table 3.13](#)). This most commonly reflects people receiving a Domestic Purposes Benefit – Sole Parents entering another relationship. Over the same period, the proportion of cessations of carers' benefits each year that reflected clients entering paid work has increased (from 27% to 32%) (see [Table 3.13](#)).

table
3.13

Trends in reasons for cessations of carers' benefits

Reasons for cessation	Cessations of carer's benefits ^{1,2}				
	1999/2000 Number	2000/2001 Number	2001/2002 Number	2002/2003 Number	2003/2004 Number
Obtained paid work	10,783	11,075	11,069	11,289	12,024
Transferred to another core benefit	9,702	9,010	8,432	7,636	7,203
Other	19,832	19,328	18,335	18,004	18,642
Total	40,317	39,413	37,836	36,929	37,869

Notes

- Includes Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Caring for the Sick and Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.
- Numbers of cessations of carers' benefits recorded in SWIFT during years ended 30 June.

Trends in expenditure on carers' benefits

Fluctuations since 1997/1998 in annual expenditure on carers' benefits (see [Table 3.14](#)) largely reflect changes in the numbers of clients receiving a carers' benefit.

table
3.14

Trends in annual expenditure on carers' benefits¹

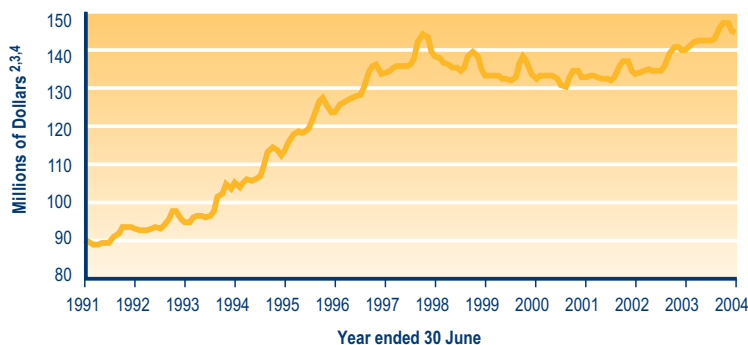
Year ended 30 June	Expenditure on carer's benefit ^{2,3,4} (\$ million)
1991/1992	1,104
1992/1993	1,147
1993/1994	1,208
1994/1995	1,337
1995/1996	1,493
1996/1997	1,608
1997/1998	1,706
1998/1999	1,682
1999/2000	1,652
2000/2001	1,637
2001/2002	1,650
2002/2003	1,690
2003/2004	1,777

Notes

- Includes Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Caring for the Sick and Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.
- Expenditure on carers' benefits in years ended 30 June, including expenditure on supplementary benefits provided to recipients of a carers' benefit.
- Expenditure shown is net of taxation, adjusted for the number of payments of carers' benefits made during the year, and smoothed using a three-month moving average.
- Expenditure data in this table differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

Monthly expenditure on carers' benefits shows a small seasonal peak in the latter part of each fiscal year (see [Figure 3.5](#)). This peak results in part from the inclusion of the Training Incentive Allowance and benefit advances that are made at the start of the school/academic year to clients who are receiving a carers' benefit and who have children attending school or who are themselves undertaking approved training.

figure 3.5 Trends in monthly expenditure on carers' benefits¹



Notes

- 1 Includes Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Caring for the Sick and Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.
- 2 Monthly expenditure on carers' benefits and on supplementary benefits paid to recipients of a carers' benefit.
- 3 Expenditure shown is net of taxation, adjusted for the number of carers' benefits made during the month, and smoothed using a three-month moving average.
- 4 Expenditure data in this graph differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

Table 7.2 (see Section 7) shows trends since 1975 in expenditure on carers' benefits. Please note that expenditure on carers' benefits in **Table 7.2** includes:

- deductions for debt established from 1996, while the data in **Table 3.14** and **Figure 3.5** does not
- expenditure on supplementary benefits paid to people receiving a carers' benefit.

Sickness-related benefits

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

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

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

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

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

- take drug tests if required to by a prospective employer (from 10 October 2003)
- commute to seek and undertake paid work if there is no such work available in their local area (from 8 March 2004).

From 1 July 1998, the payment rate for a new Sickness Benefit was aligned with the (lower) rate for an Unemployment Benefit. People receiving a Sickness Benefit since before 1 July 1998 have continued to receive the old (higher) rate for their Sickness Benefit that was paid immediately prior to 1 July 1998.

Types of sickness-related benefit

Sickness Benefit

From 1 October 1998, a Sickness Benefit has been available to people who are:

- unable to work full time through illness, injury or pregnancy
- limited in their capacity to seek work due to illness or injury, or
- in employment but losing earnings through illness or injury.

To receive a Sickness Benefit, clients must be aged 18 years or over, or aged 16 years or over and living with a partner and dependent child. Income and residency tests apply.

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

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

Sickness Benefit – Hardship

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

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

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

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

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

The number of people receiving a sickness-related benefit has increased since 2000 (see [Table 3.15](#)). Of the clients receiving a sickness-related benefit over this period:

- around 96% have been receiving a Sickness Benefit (see [Table 3.15](#))
- between 36% and 38% have been aged 45–59 years (see [Table 3.16](#))
- between 30% and 32% have been aged 25–39 years (see [Table 3.16](#)).

table
3.15

Trends in sickness-related benefits received

Benefit received at 30 June	Clients receiving a sickness-related benefit ^{1,2}				
	2000 Number	2001 Number	2002 Number	2003 Number	2004 Number
Sickness Benefit	31,076	32,497	35,259	38,756	42,873
Sickness Benefit – Hardship	1,218	1,123	1,121	1,146	1,255
Total	32,294	33,620	36,380	39,902	44,128

Notes

1 Includes Sickness Benefits and Sickness Benefits – Hardship.

2 Numbers of clients recorded in SWIFTT as receiving a sickness-related benefit at 30 June.

table 3.16 Trends in the ages of clients receiving a sickness-related benefit

Age of client 30 June	Clients receiving a sickness-related benefit ^{1,2}				
	2000 Number	2001 Number	2002 Number	2003 Number	2004 Number
16–19 years	1,077	1,158	1,294	1,551	1,585
20–24 years	2,843	3,020	3,300	3,902	4,032
25–29 years	3,224	3,241	3,402	3,671	4,009
30–34 years	3,394	3,569	3,874	4,170	4,540
35–39 years	3,696	3,770	4,210	4,431	4,652
40–44 years	3,791	3,950	4,391	4,878	5,284
45–49 years	3,993	4,239	4,480	4,989	5,249
50–54 years	4,446	4,547	4,815	5,050	5,552
55–59 years	3,680	3,677	3,888	4,233	5,683
60–64 years	1,881	2,217	2,476	2,762	3,243
65 years or over	269	232	250	265	299
Unspecified	0	0	0	0	0
Total	32,294	33,620	36,380	39,902	44,128

Notes

- 1 Includes Sickness Benefits and Sickness Benefits – Hardship.
- 2 Numbers of clients recorded in SWIFTT as receiving a sickness-related benefit at 30 June.

Around 39% of the clients receiving a sickness-related benefit since 2000 have had systemic disorders (see [Table 3.17](#)). Since 2000, there have been increases in the proportions of recipients of sickness-related benefits who:

- have a psychological or psychiatric condition (from 29% to 34%) (see [Table 3.17](#))
- have received their current benefit for less than two years (from 61% to 70%) (see [Table 3.18](#)).

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

Client incapacity at 30 June	Clients receiving a sickness-related benefit ^{1,2}				
	2000 Number	2001 Number	2002 Number	2003 Number	2004 Number
Accident, trauma, entry of foreign bodies	4,828	4,919	5,094	5,294	5,690
Disease (circulatory system diseases, infectious or parasitic diseases)	326	247	245	253	271
Cancer	582	632	684	701	769
Congenital conditions	181	120	129	135	138
Intellectual disability	163	192	171	175	212
Pregnancy related	1,458	1,452	1,394	1,480	1,596
Psychological or psychiatric conditions	9,231	10,384	11,889	13,698	15,155
Sensory disorders	359	304	324	390	435
Substance abuse	2,179	2,008	2,137	2,328	2,418
Systemic disorders	12,931	13,318	14,289	15,414	17,415
Unspecified/ill-defined conditions ³	56	44	24	34	29
Total	32,294	33,620	36,380	39,902	44,128

Notes

- 1 Includes Sickness Benefits and Sickness Benefits – Hardship.
- 2 Numbers of clients recorded in SWIFTT as receiving a sickness-related benefit at 30 June.
- 3 Includes uncoded incapacities and ill-defined conditions.

table 3.18 Trends in the length of current spells receiving a sickness-related benefit

Length of current spells at 30 June	Clients receiving a sickness-related benefit ^{1,2}				
	2000 Number	2001 Number	2002 Number	2003 Number	2004 Number
Under 6 months	10,046	10,875	12,235	13,324	15,341
6 months – 2 years	9,616	10,698	12,316	14,179	15,419
2–4 years	6,672	5,617	5,322	6,204	7,096
Over 4 years	5,960	6,430	6,507	6,195	6,272
Total	32,294	33,620	36,380	39,902	44,128

Notes

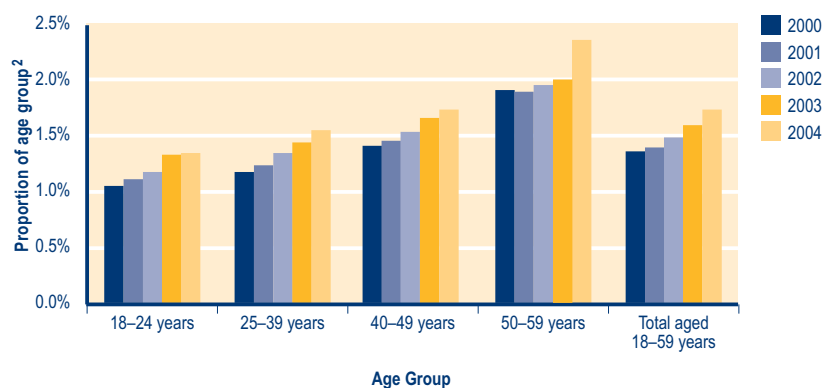
- 1 Includes Sickness Benefits and Sickness Benefits – Hardship.
- 2 Numbers of clients recorded in SWIFTT as receiving a sickness-related benefit at 30 June.

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

Trends in the proportion of 18–59 year olds receiving a sickness-related benefit

Since 2000, around 2% of 18–59 year olds have been receiving a sickness-related benefit (see **Figure 3.6**). Over this period, the proportion of people in each age group receiving a sickness-related benefit increased with age. In particular, 50–59 year olds have been slightly more likely to be receiving a sickness-related benefit than 18–49 year olds.

figure 3.6 Trends in the proportion of 18–59 year olds receiving a sickness-related benefit¹, by age



Notes

- 1 Includes 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 30 June, divided by
 - b Statistics New Zealand final estimate of the resident population in age group at 30 June.

See **Table A3.7** (Appendix 3) for a summary of the SWIFTT data underlying **Figure 3.6**.

Trends in sickness-related benefits granted

The annual number of sickness-related benefits granted has increased since 1999/2000 (see [Table 3.19](#)).

Of the sickness-related benefits granted each year since 1999/2000 (see [Table 3.19](#)):

- between 36% and 38% reflected clients transferring from another core benefit
- between 39% and 41% have been provided to clients who had not received a core benefit in the previous 12 months
- between 24% and 27% have been provided to clients who had not received any core benefit in the previous four years.

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

Period since client last received any core benefit	Sickness-related benefits granted ^{1,2}				
	1999/2000 Number	2000/2001 Number	2001/2002 Number	2002/2003 Number	2003/2004 Number
None (administrative transfers of clients who continued to receive some core benefit)	13,941	14,439	15,588	16,007	17,343
Under 6 months	4,909	5,491	6,328	6,881	7,812
6–12 months	2,795	3,276	3,573	3,759	4,377
12–18 months	1,577	1,701	1,869	2,098	2,249
18 months – 2 years	1,201	1,185	1,419	1,498	1,597
2–4 years	2,510	2,677	2,857	3,116	3,592
Not received a core benefit in previous four years	9,723	9,805	10,208	10,658	11,385
Total	36,656	38,574	41,842	44,017	48,355

Notes

- ¹ Includes Sickness Benefits and Sickness Benefits – Hardship.
- ² Numbers of successful applications for sickness-related benefits recorded in SWIFTT during years ended 30 June.

Between 32% and 34% of the sickness-related benefits granted each year since 1999/2000 have been provided to clients with systemic disorders. Over this period, the proportion of sickness-related benefits granted that were provided to clients with psychological or psychiatric conditions has increased (from 24% to 31%) (see [Table 3.20](#)).

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

Client incapacity when benefit granted	Sickness-related benefits granted ^{1,2}				
	1999/2000 Number	2000/2001 Number	2001/2002 Number	2002/2003 Number	2003/2004 Number
Accident, trauma, entry of foreign bodies	5,596	5,700	6,024	6,000	6,371
Disease (circulatory system diseases, infectious or parasitic diseases)	630	664	640	579	595
Cancer	873	912	919	1,000	1,029
Congenital conditions	182	194	212	223	237
Intellectual disability	64	80	84	81	121
Pregnancy related	6,012	5,616	5,425	5,133	5,437
Psychological or psychiatric conditions	8,849	10,126	11,823	13,736	15,081
Sensory disorders	362	344	371	436	477
Substance abuse	2,309	2,289	2,390	2,436	2,496
Systemic disorders	11,550	12,445	13,740	14,202	16,294
Unspecified/ill-defined conditions ³	229	204	214	191	217
Total	36,656	38,574	41,842	44,017	48,355

Notes

- 1 Includes Sickness Benefits and Sickness Benefits – Hardship.
- 2 Numbers of successful applications for sickness-related benefits recorded in SWIFTT during years ended 30 June.
- 3 Includes uncoded incapacities and ill-defined conditions.

Trends in cessations of sickness-related benefits

The annual number of cessations of sickness-related benefits has increased since 2000/2001 (see [Table 3.21](#)). Since 1999/2000, between 12% and 14% of cessations of sickness-related benefits each year have reflected clients returning directly to work, rather than transferring to another core benefit (eg an unemployment-related benefit) and then entering paid work. Over this period, the proportion of sickness-related benefits each year that reflect (see [Table 3.21](#)):

- clients transferring to another core benefit has decreased (from 57% to 47%)
- clients ceasing sickness-related benefits for other reasons has increased (from 31% to 39%).

table 3.21 Trends in reasons for cessations of sickness-related benefits

Reason for cessation	Cessations of sickness-related benefits ^{1,2}				
	1999/2000 Number	2000/2001 Number	2001/2002 Number	2002/2003 Number	2003/2004 Number
Obtained paid work	4,561	4,879	5,203	5,516	6,200
Transferred to another core benefit	21,267	20,313	20,867	20,811	20,259
Other	11,619	11,773	12,747	14,163	16,800
Total	37,447	36,965	38,817	40,490	43,259

Notes

- 1 Includes Sickness Benefits and Sickness Benefits – Hardship.
- 2 Numbers of cessations of sickness-related benefits recorded in SWIFTT during years ended 30 June.

Trends in expenditure on sickness-related benefits

Increases since 2000/2001 in annual expenditure on sickness-related benefits (see [Table 3.22](#)) largely reflect increases in the numbers of people receiving a sickness-related benefit.

table
3.22

Trends in annual expenditure on sickness-related benefits¹

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

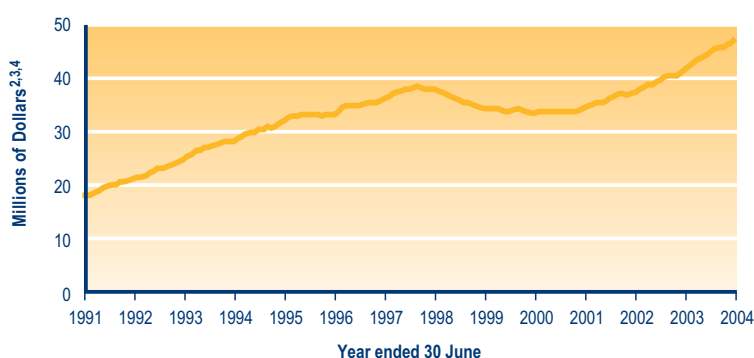
Notes

- 1 Includes Sickness Benefits and Sickness Benefits – Hardship.
- 2 Expenditure on sickness-related benefits in years ended 30 June, including expenditure on supplementary benefits provided to recipients of a sickness-related benefit.
- 3 Expenditure shown is net of taxation, adjusted for the number of payments of sickness-related benefits made during the year, and smoothed using a three-month moving average.
- 4 Expenditure data in this table differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

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

figure
3.7

Trends in monthly expenditure on sickness-related benefits¹



Notes

- 1 Includes Sickness Benefits and Sickness Benefits – Hardship.
- 2 Monthly expenditure on sickness-related benefits, including expenditure on supplementary benefits paid to recipients of a sickness-related benefit.
- 3 Expenditure shown is net of taxation, adjusted for the number of payments of sickness-related benefits made during the month, and smoothed using a three-month moving average.
- 4 Expenditure data in this graph differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

Table 7.2 (see Section 7) shows trends since 1940 in expenditure on sickness-related benefits. Please note that expenditure on sickness-related benefits shown in **Table 7.2** includes:

- deductions for debt established from 1996, whereas the data in **Table 3.22** and **Figure 3.7** does not
- expenditure on supplementary benefits paid to people receiving a sickness-related benefit.

Invalids' Benefit

An Invalids' Benefit is available to people who are 16 years or over and are either:

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

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

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

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

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

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

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

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

Trends in the number of clients receiving an Invalids' Benefit

Increases since 2000 in the number of clients receiving an Invalids' Benefit (see **Table 3.23**) reflect:

- the long-term nature of the conditions that result in people being granted an Invalids' Benefit
- iterative increases in the age of eligibility for New Zealand Superannuation.

Of clients receiving an Invalids' Benefit since 2000 (see **Table 3.23**):

- between 37% and 39% have had a systemic disorder
- around 25% have had a psychological or psychiatric condition
- between 15% and 19% have had an intellectual disability.

table 3.23 Trends in the incapacities of clients receiving an Invalids' Benefit

Client incapacity at 30 June	Clients receiving an Invalids' Benefit ¹				
	2000 Number	2001 Number	2002 Number	2003 Number	2004 Number
Accident, trauma, entry of foreign bodies	3,827	4,185	4,568	4,804	4,974
Disease (circulatory system diseases, infectious or parasitic diseases)	255	296	351	380	413
Cancer	1,397	1,572	1,739	1,891	2,034
Congenital conditions	2,024	2,244	2,445	2,691	2,856
Intellectual disability	10,736	10,878	10,936	11,022	11,175
Psychological or psychiatric conditions	13,911	15,148	16,501	17,850	19,128
Sensory disorders	1,888	1,971	2,029	2,051	2,133
Substance abuse	628	737	866	931	1,051
Systemic disorders	20,315	22,426	24,824	26,686	28,384
Unspecified/ill-defined conditions ²	411	355	270	201	194
Total	55,392	59,812	64,529	68,507	72,342

Notes

- 1 Numbers of clients recorded in SWIFTT as receiving an Invalids' Benefit at 30 June.
 2 Includes uncoded incapacities and ill-defined conditions.

Since 2000, around 39% of clients receiving an Invalids' Benefit have been aged 45–59 years (see [Table 3.24](#)). Over the same period, the proportion of Invalids' Benefit recipients who were aged 60–64 years has increased (from 13% to 17%), while the proportion aged 25–39 years has decreased (from 28% to 23%) (see [Table 3.24](#)).

table 3.24 Trends in the ages of clients receiving an Invalids' Benefit

Age of client at 30 June	Clients receiving an Invalids' Benefit ¹				
	2000 Number	2001 Number	2002 Number	2003 Number	2004 Number
16–19 years	1,934	2,114	2,196	2,280	2,420
20–24 years	2,965	3,108	3,297	3,512	3,710
25–29 years	4,094	4,028	4,027	4,011	4,025
30–34 years	4,993	5,296	5,508	5,623	5,670
35–39 years	6,206	6,403	6,548	6,782	6,957
40–44 years	6,161	6,690	7,381	7,909	8,417
45–49 years	6,397	6,871	7,539	8,048	8,559
50–54 years	7,146	7,713	8,318	8,840	9,345
55–59 years	7,928	8,462	9,150	10,022	10,835
60–64 years	7,247	8,776	10,144	11,067	11,922
65 years or over	321	351	421	413	482
Unspecified	0	0	0	0	0
Total	55,392	59,812	64,529	68,507	72,342

Note

- 1 Numbers of clients recorded in SWIFTT as receiving an Invalids' Benefit at 30 June.

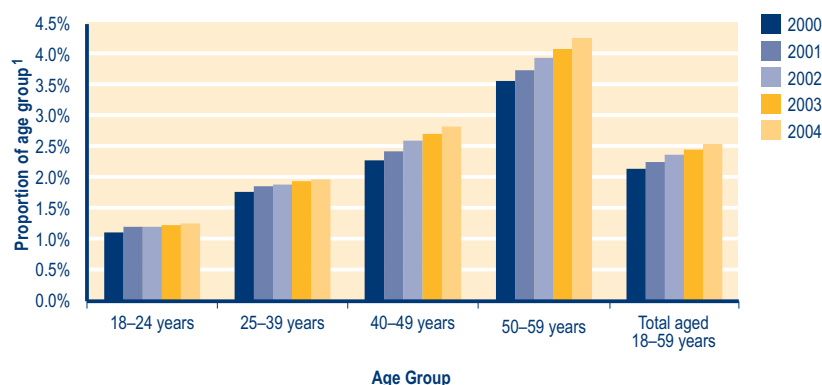
[Table 7.1](#) (see Section 7) shows trends since 1940 in the number of clients receiving an Invalids' Benefit.

Trends in the proportion of 18–59 year olds receiving an Invalids' Benefit

Increases since 2000 in the proportion of 18–59 year olds receiving an Invalids' Benefit (see [Figure 3.8](#)) reflect the long-term nature of the conditions that result in clients being granted an Invalids' Benefit. Over the same period, the prevalence of receipt of Invalids' Benefits among 18–59 year olds has increased with age (see [Figure 3.8](#)).

figure
3.8

Trends in the proportion of 18–59 year olds receiving an Invalids' Benefit



Note

- 1 Proportion shows:
 - a number of clients in age group recorded in SWIFTT as receiving an Invalids' Benefit at 30 June, divided by
 - b Statistics New Zealand final estimate of the resident population in age group at 30 June.

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

Trends in Invalids' Benefits granted

The annual number of Invalids' Benefits granted each year has increased since 1999/2000 (see [Table 3.25](#)). Of the Invalids' Benefits granted in each year since 1999/2000:

- between 69% and 73% reflected clients transferring from other core benefits (see [Table 3.25](#))
- between 17% and 19% were provided to clients who had not received a core benefit in the previous four years (see [Table 3.25](#))
- between 43% and 46% were provided to clients with systemic disorders (see [Table 3.26](#))
- around 24% were provided to clients with psychological or psychiatric conditions (see [Table 3.26](#)).

table 3.25 Trends in the length of period since clients granted an Invalids' Benefit last received any core benefits

Period since client last received any core benefit	Invalids' Benefits granted ¹				
	1999/2000 Number	2000/2001 Number	2001/2002 Number	2002/2003 Number	2003/2004 Number
None (administrative transfer of client who continued to receive some core benefit)	7,309	7,034	7,917	8,053	8,180
Under 6 months	454	577	649	630	666
6–12 months	196	233	237	272	268
12–18 months	94	117	128	111	114
18 months – 2 years	68	80	97	78	85
2–4 years	154	168	218	182	239
Not received a core benefit in previous four years	1,754	1,902	2,004	1,950	2,281
Total	10,029	10,111	11,250	11,276	11,833

Note

¹ Numbers of successful applications for Invalids' Benefits recorded in SWIFFT during years ended 30 June.

table 3.26 Trends in the incapacities of clients granted an Invalids' Benefit

Client incapacity when benefit granted	Invalids' Benefits granted ¹				
	1999/2000 Number	2000/2001 Number	2001/2002 Number	2002/2003 Number	2003/2004 Number
Accident, trauma, entry of foreign bodies	800	828	942	860	814
Disease (circulatory system diseases, infectious or parasitic diseases)	84	85	93	85	91
Cancer	929	920	1,003	1,036	1,128
Congenital conditions	368	366	371	397	408
Intellectual disability	558	512	465	508	565
Psychological or psychiatric conditions	2,497	2,416	2,688	2,827	2,860
Sensory disorders	252	220	240	219	266
Substance abuse	170	190	229	196	216
Systemic disorders	4,357	4,554	5,195	5,129	5,405
Unspecified/ill-defined conditions ²	14	20	24	19	80
Total	10,029	10,111	11,250	11,276	11,833

Notes

¹ Numbers of successful applications for Invalids' Benefits recorded in SWIFFT during years ended 30 June.

² Includes uncoded incapacities and ill-defined conditions.

Trends in cessations of Invalids' Benefits

The number of cessations each year of Invalids' Benefits has increased since 2000/2001 (see [Table 3.27](#)), reflecting increases in the numbers of people receiving an Invalids' Benefit. Of the Invalids' Benefit cessations each year since 1999/2000 (see [Table 3.27](#)):

- between 28% and 36% have reflected clients transferring to other core benefits or pensions
- between 54% and 60% have reflected reasons other than clients returning to work or transferring to another core benefit or pension (the chief reason for these cessations is the death of the client).

table 3.27 Trends in reasons for cessations of Invalids' Benefits

Reason for cessation	Cessations of Invalids' Benefits ¹				
	1999/2000 Number	2000/2001 Number	2001/2002 Number	2002/2003 Number	2003/2004 Number
Obtained paid work	564	706	821	958	1,109
Transferred to another core benefit	2,111	1,633	1,762	2,123	2,609
Other	3,241	3,228	3,809	4,065	4,411
Total	5,916	5,567	6,392	7,146	8,129

Note

¹ Numbers of cessations of Invalids' Benefits recorded in SWIFFT during years ended 30 June.

Trends in expenditure on Invalids' Benefits

Increases since 1991/1992 in annual expenditure on Invalids' Benefits (see [Table 3.28](#)) reflect increases in the number of people receiving an Invalids' Benefit.

table 3.28 Trends in annual expenditure on Invalids' Benefits

Year ended 30 June	Expenditure on Invalids' Benefits ^{1,2,3,4} (\$ million)
1991/1992	329
1992/1993	365
1993/1994	414
1994/1995	465
1995/1996	501
1996/1997	556
1997/1998	624
1998/1999	661
1999/2000	703
2000/2001	764
2001/2002	846
2002/2003	929
2003/2004	1,010

Notes

¹ Expenditure on Invalids' Benefits in years ended 30 June.

² Expenditure shown includes expenditure on supplementary benefits provided to recipients of an Invalids' Benefit.

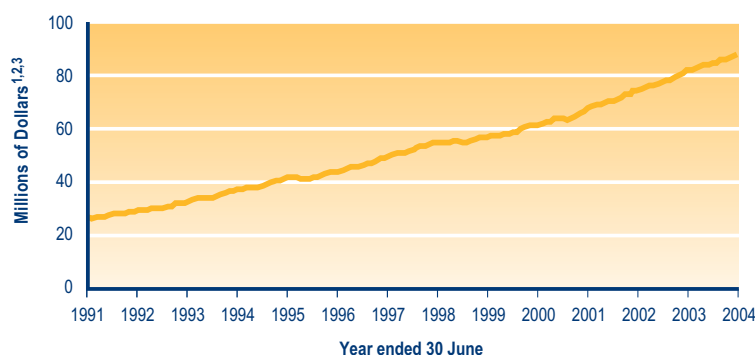
³ Expenditure shown is net of taxation, adjusted for the number of payments of Invalids' Benefit made during the year, and smoothed using a three-month moving average.

⁴ Expenditure data in this table differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

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

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

figure 3.9 Trends in monthly expenditure on Invalids' Benefits



Notes

- 1 Monthly expenditure on Invalids' Benefits, including expenditure on supplementary benefits paid to recipients of an Invalids' Benefit.
- 2 Expenditure shown is net of taxation, adjusted for the number of payments of Invalids' Benefit made during the month, and smoothed using a three-month moving average.
- 3 Expenditure data in this graph differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

Table 7.2 (see Section 7) shows trends since 1940 in expenditure on Invalids' Benefits. Please note that expenditure on Invalids' Benefits shown in **Table 7.2** includes:

- deductions for debts established since 1996, while the data in [Figure 3.9](#) and [Table 3.28](#) does not
- expenditure on supplementary benefits paid to people receiving an Invalids' Benefit.

Unsupported Child's Benefit and Orphan's Benefit

Unsupported Child's Benefits and Orphan's Benefits are available to people who are caring for dependent children while those children are unable to live with or be supported by their parents.

These benefits are income tested in relation to any income the child receives other than from personal earnings, but they are not work-tested.

Eligibility for an Unsupported Child's Benefit and Orphan's Benefit

Unsupported Child's Benefit

An Unsupported Child's Benefit is available to the principal caregiver of a child whose natural, adoptive or step parents are, because of a family breakdown, unable to:

- care for the child, or
- provide for the child's support.

Residency tests apply, and the child must be expected to be in the care of the client for at least 12 months.

Orphan's Benefit

An Orphan's Benefit is available to the principal caregiver of a child whose natural or adoptive parents cannot support the child because they:

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

Residency tests apply, and the child must be expected to be in the care of the client for at least 12 months.

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

Increases since 2000 in the number of clients receiving an Unsupported Child's Benefit or Orphan's Benefit (see [Table 3.29](#)) largely reflect the long-term nature of these benefits.

table
3.29

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

Benefits received at 30 June	Clients receiving an Unsupported Child's Benefit or Orphan's Benefit ¹				
	2000 Number	2001 Number	2002 Number	2003 Number	2004 Number
Unsupported Child's Benefit	5,419	5,700	5,970	6,418	6,682
Orphan's Benefit	380	375	362	371	369
Total	5,799	6,075	6,332	6,789	7,051

Note

¹ Numbers of clients recorded in SWIFTT as receiving an Unsupported Child's Benefit or Orphan's Benefit at 30 June.

[Table 7.1](#) (see Section 7) shows trends since 1940 in the number of people receiving an Unsupported Child's Benefit or Orphan's Benefit.

Trends in the number of children covered by an Unsupported Child's Benefit or Orphan's Benefit

Please note that the number of children covered by an Unsupported Child's Benefit or Orphan's Benefit may differ from the number of clients receiving an Unsupported Child's Benefit or Orphan's Benefit. This is because clients may be receiving an Unsupported Child's Benefit or Orphan's Benefit for more than one child.

Increases since 2000 in the number of children covered by an Unsupported Child's Benefit or Orphan's Benefit (see [Table 3.30](#)) largely reflect the long-term nature of these benefits. Of the children covered by an Unsupported Child's Benefit or Orphan's Benefit since 2000 (see [Table 3.30](#)):

- around 76% have been aged 14 years or under
- around 39% have been aged under 10 years
- around 22% have been aged 15–17 years.

table 3.30 Trends in the ages of children covered by an Unsupported Child's Benefit or Orphan's Benefit

Age of child at 30 June	Children covered by an Unsupported Child's Benefit or Orphan's Benefit ^{1,2}				
	2000 Number	2001 Number	2002 Number	2003 Number	2004 Number
0–4 years	956	946	986	1,059	1,107
5–9 years	1,988	2,049	2,197	2,384	2,554
10–14 years	2,805	3,052	3,117	3,309	3,448
15–17 years	1,670	1,713	1,850	2,080	2,184
18–19 years	73	70	67	78	69
20 years or over	0	0	0	0	0
Unspecified	0	0	0	0	0
Total	7,492	7,830	8,217	8,910	9,362

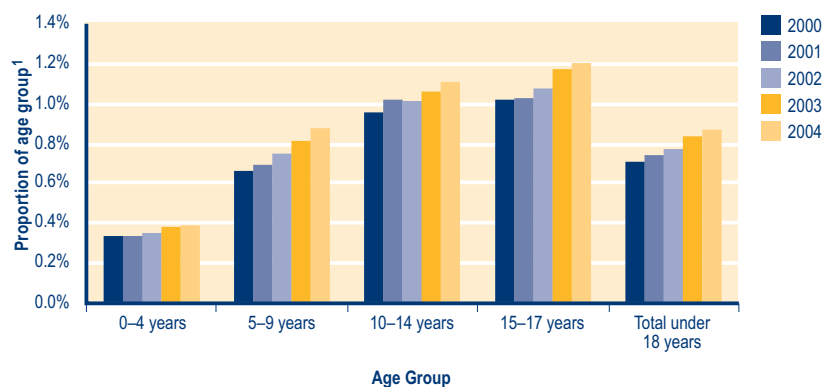
Notes

- Numbers of children recorded in SWIFTT as being covered by an Unsupported Child's Benefit or Orphan's Benefit being paid at 30 June.
- A client can receive Unsupported Child's Benefit or Orphan's Benefit payments for more than one child. Therefore, the number of children covered by Unsupported Child's Benefits or Orphan's Benefits paid at 30 June may not equal the number of clients receiving an Unsupported Child's Benefit or Orphan's Benefit at the same date.

Trends in the proportion of children aged under 18 years covered by an Unsupported Child's Benefit or Orphan's Benefit

Since 2000, around 0.7% of children aged under 18 years have been covered by an Unsupported Child's Benefit or Orphan's Benefit (see [Figure 3.10](#)). Over this period, the prevalence of coverage by an Unsupported Child's Benefit or Orphan's Benefit has increased with age among children aged under 18 years (see [Figure 3.10](#)).

figure 3.10 Trends in the proportion of children aged under 18 years covered by an Unsupported Child's Benefit or Orphan's Benefit, by age



Note

- Proportion shows:
 - number of children in age group recorded in SWIFTT as being covered by an Unsupported Child's Benefit or Orphan's Benefit at 30 June, divided by
 - Statistics New Zealand final estimate of the resident population in age group at 30 June.

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

Trends in Unsupported Child's Benefits and Orphan's Benefits granted

The number of Unsupported Child's Benefits and Orphan's Benefits granted each year has fluctuated since 1999/2000 (see [Table 3.31](#)). Of the Unsupported Child's Benefits and Orphan's Benefits granted each year since 2000/2001 (see [Table 3.31](#)):

- around 69% have been provided to clients with at least one dependent child aged 14 years or under
- between 37% and 40% have been provided to clients with at least one dependent child aged 10–14 years
- around 30% have been provided to clients with at least one dependent child aged 15–17 years.

table 3.31 Trends in ages of the youngest dependent child cared for by clients granted an Unsupported Child's Benefit or Orphan's Benefit

Age of youngest dependent child when benefit granted	Unsupported Child's Benefits and Orphan's Benefits granted ¹				
	1999/2000 Number	2000/2001 Number	2001/2002 Number	2002/2003 Number	2003/2004 Number
0–4 years	521	513	518	561	563
5–9 years	488	449	469	547	487
10–14 years	1,118	1,319	1,183	1,260	1,237
15–17 years	1,085	995	941	1,019	981
18–19 years	2	3	3	2	4
20 years or over	1	0	0	0	0
Unspecified	11	11	8	7	5
Total	3,226	3,290	3,122	3,396	3,277

Note

- ¹ Numbers of successful applications for Unsupported Child's Benefits or Orphan's Benefits recorded in SWIFTT during years ended 30 June.

Trends in cessations of Unsupported Child's Benefits and Orphan's Benefits

The annual number of cessations of Unsupported Child's Benefits and Orphan's Benefits has increased over the last three years (see [Table 3.32](#)). This reflects the combined impact of increases in the number of children covered by these benefits and the ageing of those children.

Over this period, around 98% of cessations of Unsupported Child's Benefits or Orphan's Benefits each year have reflected reasons other than clients obtaining paid work or clients transferring to another core benefit (see [Table 3.32](#)). The chief reason for these "other" cessations is that the child for whom the benefit is paid either has left the care of the person receiving the benefit or has otherwise become independent.

table 3.32 Trends in reasons for cessations of Unsupported Child's Benefits and Orphan's Benefits

Reason for cessation	Cessations of Unsupported Child's Benefits or Orphan's Benefits ¹				
	1999/2000 Number	2000/2001 Number	2001/2002 Number	2002/2003 Number	2003/2004 Number
Obtained work	29	22	21	21	30
Transferred to another core benefit	30	42	41	26	26
Other	2,750	2,904	2,797	2,848	2,959
Total	2,809	2,968	2,859	2,895	3,015

Note

- ¹ Numbers of cessations of Unsupported Child's Benefits or Orphan's Benefits recorded in SWIFTT during years ended 30 June.

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

Increases since 1991/1992 in combined annual expenditure on Unsupported Child's Benefits and Orphan's Benefits (see [Table 3.33](#)) largely reflect increases in the numbers of children covered by these benefits.

table 3.33 Trends in combined annual expenditure on Unsupported Child's Benefits and Orphan's Benefits

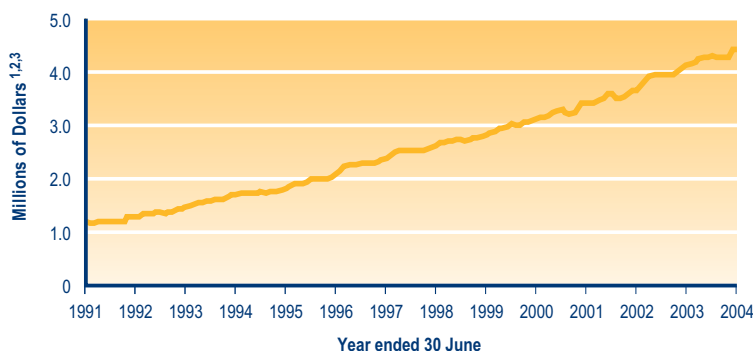
Year ended 30 June	Expenditure on Unsupported Child's Benefits and on Orphan's Benefits ^{1,2,3,4} (\$ million)
1991/1992	14
1992/1993	16
1993/1994	19
1994/1995	21
1995/1996	23
1996/1997	27
1997/1998	30
1998/1999	33
1999/2000	36
2000/2001	39
2001/2002	42
2002/2003	47
2003/2004	51

Notes

- 1 Expenditure on Unsupported Child's Benefits and Orphan's Benefits in years ended 30 June.
- 2 Includes expenditure on supplementary benefits provided to recipients of an Unsupported Child's Benefit and to recipients of an Orphan's Benefit.
- 3 Expenditure figures shown are adjusted for the number of payments of Unsupported Child's Benefit and Orphan's Benefit made during the year, and are smoothed using a two-month moving average. Unsupported Child's Benefits and Orphan's Benefits are not subject to taxation.
- 4 Expenditure data in this table differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

The slight decrease in monthly combined expenditure on Unsupported Child's Benefits and Orphan's Benefits evident at the beginning of each calendar year (see [Figure 3.11](#)) reflects a seasonal dip in applications in January, combined with ongoing cessations as children turn 18 years of age. The increase in expenditure in 1996/1997 and 1997/1998 reflects the impact of increases in the core rates of payments of these benefits in July 1996 and July 1997.

figure 3.11 Trends in 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 supplementary benefits paid to recipients of Unsupported Child's Benefits and recipients of Orphan's Benefits.
- 2 Expenditure shown is adjusted for the combined number of payments of Unsupported Child's Benefits and Orphan's Benefits made during the month, and smoothed using a two-month moving average. Unsupported Child's Benefits and Orphan's Benefits are not subject to taxation.
- 3 Expenditure data in this graph differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

Table 7.2 (see Section 7) shows trends since 1940 in combined expenditure on Unsupported Child's Benefits and Orphan's Benefits. Please note that expenditure on Unsupported Child's Benefits and Orphan's Benefits shown in **Table 7.2** includes:

- deductions for debt established since 1996, while the data in **Figure 3.11** and **Table 3.33** does not
- expenditure on supplementary benefits paid to people receiving Unsupported Child's Benefits or Orphan's Benefits.

Widows' Benefit

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

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

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

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

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

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

Trends in the number of women receiving a Widows' Benefit

The number of women receiving a Widows' Benefit has decreased since 2000 (see [Table 3.34](#)), reflecting an excess of Widows' Benefit cessations over Widows' Benefits granted. Of the women receiving a Widows' Benefit over this period, however, between 48% and 50% had done so for over four years, while around 19% had done so for between two and four years (see [Table 3.34](#)).

table 3.34 Trends in the length of current spells receiving a Widows' Benefit

Length of current spell 30 June	Women receiving a Widows' Benefit ¹				
	2000 Number	2001 Number	2002 Number	2003 Number	2004 Number
Under 6 months	791	799	793	860	787
6 months – 2 years	1,930	1,886	1,833	1,953	1,964
2–4 years	1,846	1,733	1,748	1,650	1,610
Over 4 years	4,537	4,482	4,400	4,196	4,052
Unspecified	0	0	0	0	0
Total	9,104	8,900	8,774	8,659	8,413

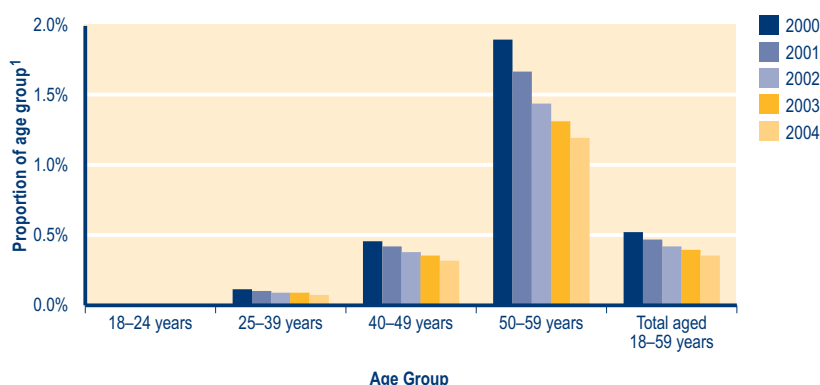
Note
¹ Numbers of women recorded in SWIFTT as receiving a Widows' Benefit at 30 June.

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

Trends in the proportion of women aged 18–59 years receiving a Widows' Benefit

Since 2000, around 0.5% of women aged 18–59 years have been receiving a Widows' Benefit (see [Figure 3.12](#)). The significantly higher prevalence of use of Widows' Benefits among 40–59 year olds than among younger women (see [Figure 3.12](#)) largely reflects the eligibility criteria for a Widows' Benefit.

figure 3.12 Trends in the proportion of women aged 18–59 years receiving a Widows' Benefit, by age



Note
¹ Proportion shows:
 a number of women in age group recorded in SWIFTT as receiving a Widows' Benefit at 30 June, divided by
 b Statistics New Zealand final estimate of the resident population of women in age group at 30 June.

See [Table A3.10](#) (Appendix 3) for a summary of the SWIFTT data underlying [Figure 3.12](#).

Trends in Widows' Benefits granted

The number of Widows' Benefits granted each year returned to historic levels in the last year after increasing in 2002/2003 (see [Table 3.35](#)). Of the Widows' Benefits granted in each year since 1999/2000 (see [Table 3.35](#)):

- between 62% and 64% were provided to clients who had not received a core benefit in the previous four years
- between 11% and 14% were provided to clients transferring from another core benefit.

table
3.35

Trends in the length of period since women granted a Widows' Benefit last received any core benefit

Period since recipient last received any core benefit	Women receiving a Widows' Benefit ¹				
	1999/2000 Number	2000/2001 Number	2001/2002 Number	2002/2003 Number	2003/2004 Number
None (administrative transfer of client who continued to receive some core benefit)	264	240	272	303	215
Under 6 months	192	217	186	218	206
6–12 months	99	99	106	112	106
12–18 months	68	45	57	56	51
18 months – 2 years	28	35	39	39	44
2–4 years	97	90	111	93	131
Not received a core benefit in previous four years	1,276	1,276	1,244	1,329	1,264
Total	2,024	2,002	2,015	2,150	2,017

Note

¹ Numbers of successful applications for Widows' Benefits recorded in SWIFTT during years ended 30 June.

Trends in cessations of Widows' Benefits

The annual number of cessations of Widows' Benefits increased between 2001/2002 and 2002/2003, but remained relatively stable between 2002/2003 and 2003/2004 (see [Table 3.36](#)). Of the cessations of Widows' Benefits each year since 1999/2000 (see [Table 3.36](#)):

- between 20% and 22% have reflected clients entering paid work
- between 43% and 47% have reflected clients transferring to other core benefits or pensions (most transfers from Widows' Benefit are to New Zealand Superannuation).

table
3.36

Trends in reasons for cessations of Widows' Benefits

Reason for cessation	Cessations of Widows' Benefits ¹				
	1999/2000 Number	2000/2001 Number	2001/2002 Number	2002/2003 Number	2003/2004 Number
Obtained paid work	458	471	434	460	512
Transferred to another core benefit	997	989	964	1,026	985
Other	686	734	729	849	810
Total	2,141	2,194	2,127	2,335	2,307

Note

¹ Numbers of cessations of Widows' Benefits recorded in SWIFTT during years ended 30 June.

Expenditure on Widows' Benefits

The one-off decrease in expenditure on Widows' Benefits in 1994/1995 (see [Table 3.37](#)) reflects the transfer of some Widows' Benefit recipients to the then-new Transitional Retirement Benefit. The increased expenditure on Widows' Benefits between 1995/1996 and 1997/1998, followed by fluctuation within a narrow band for the last six years (see [Table 3.37](#)), reflects patterns in the numbers of clients receiving a Widows' Benefit.

table 3.37 Trends in annual expenditure on Widows' Benefits

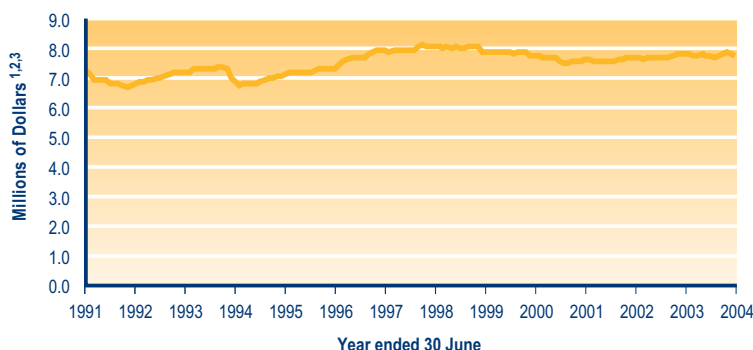
Year ended 30 June	Expenditure on Widows' Benefits ^{1,2,3,4} (\$ million)
1991/1992	82
1992/1993	84
1993/1994	86
1994/1995	82
1995/1996	86
1996/1997	92
1997/1998	95
1998/1999	95
1999/2000	93
2000/2001	91
2001/2002	91
2002/2003	92
2003/2004	93

Notes

- 1 Expenditure on Widows' Benefits in years ended 30 June.
- 2 Expenditure shown includes expenditure on supplementary benefits provided to recipients of a Widows' Benefit.
- 3 Expenditure shown is net of taxation, adjusted for the number of payments of Widows' Benefit made during the year, 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 Widows' Benefits shows small seasonal peaks in the latter part of each fiscal year (see [Figure 3.13](#)). This peak results from the Training Incentive Allowance and benefit advances that are made at the start of the school/academic year to women who are receiving a Widows' Benefit and who have dependent children at school or who are themselves undertaking approved training or study. The impact of the transfer of some Widows' Benefit recipients to the then-new Transitional Retirement Benefit is evident in early 1994/1995 (see [Figure 3.13](#)).

figure 3.13 Trends in monthly expenditure on Widows' Benefits



Notes

- 1 Monthly expenditure on Widows' Benefits, including expenditure on supplementary benefits paid to women receiving a Widows' Benefit.
- 2 Expenditure shown is net of taxation, adjusted for the number of payments of Widows' Benefit made during the month, and smoothed using a three-month moving average.
- 3 Expenditure data in this graph differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

Table 7.2 (see Section 7) shows trends since 1940 in expenditure on Widows' Benefits. Please note that expenditure on Widows' Benefits shown in **Table 7.2** includes:

- deductions for debts established after 1996, while the data in **Figure 3.13** and **Table 3.37** does not
- expenditure on supplementary benefits paid to people receiving a Widows' Benefit.

Employment services

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

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

Registered job seekers

All registered job seekers must be:

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

Registered job seekers comprise:

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

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

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

Between 1 February 1997 and 10 March 2003, some clients receiving a Domestic Purposes Benefit or Widows' Benefit were also work-tested. See information earlier in this section on Domestic Purposes Benefits or Widows' Benefits for details of which recipients of these benefits were subject to a work test.

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

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

For consistency with other official reports produced by MSD, this report uses the number of registered job seekers as an indicator of the use of employment services.

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

From 1 July 2001, all registered job seekers receiving a work-tested benefit have been required to enter into a Job Seeker Agreement with Work and Income. The Job Seeker Agreement sets out the assistance that Work and Income will provide to assist the job seeker to obtain employment, and the steps that the job seeker will take to find employment or to improve their prospects for doing so. The Job Seeker Agreement must specify the job search activities that will be undertaken, and may include employment or training programmes to be undertaken by the job seeker (eg a period of work experience or employment-related training).

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

Trends in the number of registered job seekers

Decreases since 2000 in the number of registered job seekers (see [Table 3.38](#)) reflect:

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

Of the job seekers registered since 2000:

- between 57% and 60% have been receiving unemployment-related benefits (see [Table 3.38](#))
- between 20% and 22% have not been receiving any core benefit or pension (see [Table 3.38](#))
- between 20% and 23% have been aged 45–59 years (see [Table 3.39](#))
- between 37% and 41% have been aged 25–39 years (see [Table 3.39](#))
- between 47% and 49% have had no formal educational qualifications (see [Table 3.42](#))
- between 37% and 40% have had school qualifications (see [Table 3.42](#)).

Since 2000, there have been increases in the proportions of registered job seekers who:

- have been registered for under six months (from 35% to 40%) (see [Table 4.0](#))
- have been registered for over four years (from 5% to 13%) (see [Table 3.40](#))
- identified as Māori (from 30% to 36%) (see [Table 3.41](#)).

Over the same period, there have been decreases in the proportions of registered job seekers who:

- have been registered for between six months and two years (from 46% to 34%) (see [Table 3.40](#))
- identified as New Zealand Europeans (from 51% to 41%) (see [Table 3.41](#)).

table
3.38

Trends in the types of core benefit or pension received by registered job seekers

Type of core benefit or pension received at 30 June	Registered job seekers ¹				
	2000 Number	2001 Number	2002 Number	2003 Number	2004 Number
Unemployment-related benefits ²	132,221	114,839	100,370	86,181	60,770
Carers' benefits ³	38,399	30,561	27,847	24,281	17,005
Sickness-related benefits ⁴	4,255	2,712	2,419	2,372	2,803
Invalids' Benefit	2,020	1,207	1,279	1,490	1,710
Widows' Benefit	2,386	1,768	1,475	1,184	729
Unsupported Child's Benefit/Orphan's Benefit	255	192	167	163	125
Transitional Retirement Benefit	72	23	14	6	0
Emergency Benefit	1,456	774	471	394	297
New Zealand Superannuation	63	37	34	51	68
Veterans' Pension	2	0	3	2	2
No core benefit or pension	49,861	39,742	33,638	28,452	24,081
Total	230,990	191,855	167,717	144,576	107,590

Notes

- 1 Numbers of job seekers registered in SOLO at 30 June.
- 2 Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to trainees, and the Independent Youth Benefit.
- 3 Includes Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Caring for the Sick and Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.
- 4 Includes Sickness Benefits and Sickness Benefits – Hardship.

table
3.39

Trends in the ages of registered job seekers

Age of client at 30 June	Registered job seekers ¹				
	2000 Number	2001 Number	2002 Number	2003 Number	2004 Number
15–19 years	23,136	19,817	17,627	16,195	12,532
20–24 years	38,085	31,751	28,430	25,132	17,680
25–29 years	32,068	26,091	22,442	19,084	13,786
30–34 years	30,771	25,447	22,126	18,708	13,168
35–39 years	30,968	25,223	21,433	17,730	12,311
40–44 years	26,348	22,404	19,749	16,892	11,710
45–49 years	19,881	17,206	15,454	13,309	9,500
50–54 years	17,201	15,010	12,892	10,973	8,061
55–59 years	9,182	6,846	5,905	5,142	7,601
60–64 years	3,128	1,954	1,550	1,329	1,130
65 years or over	220	105	109	82	111
Unspecified	2	1	0	0	0
Total	230,990	191,855	167,717	144,576	107,590

Note

- 1 Numbers of job seekers registered in SOLO at 30 June.

The overall shortening since 2000 of spells registered as a job seeker (see [Table 3.40](#)) reflects the impact on the job seeker register of improved economic conditions.

table 3.40 Trends in the length of current spells registered as a job seeker

Length of current spells at 30 June	Registered job seekers ¹				
	2000 Number	2001 Number	2002 Number	2003 Number	2004 Number
Under 6 months	76,795	64,158	58,639	51,740	42,542
6 months – 2 years	105,231	74,974	56,484	50,199	36,019
2–4 years	37,508	38,962	36,277	25,706	14,995
Over four years	11,456	13,761	16,317	16,931	14,034
Total	230,990	191,855	167,717	144,576	107,590

Note

¹ Numbers of job seekers registered in SOLO at 30 June.

From 2001, job seekers have been given the option to refuse to provide ethnic information. This has led to an increase in the number of job seekers for whom ethnicity is unspecified.

table 3.41 Trends in the ethnicity of registered job seekers

Ethnicity recorded at 30 June	Registered job seekers ¹				
	2000 Number	2001 Number	2002 Number	2003 Number	2004 Number
Māori	70,152	60,561	56,140	50,829	38,758
Pacific peoples	22,148	18,623	16,485	13,934	11,055
Other ethnic groups	20,395	16,710	16,605	15,383	12,004
New Zealand Europeans	118,295	95,840	77,077	62,746	44,046
Not specified	0	121	1,410	1,684	1,727
Total	230,990	191,855	167,717	144,576	107,590

Note

¹ Numbers of job seekers registered in SOLO at 30 June.

table 3.42 Trends in levels of the highest formal educational qualification held by registered job seekers

Highest educational qualification recorded at 30 June	Registered job seekers ¹				
	2000 Number	2001 Number	2002 Number	2003 Number	2004 Number
No formal educational qualifications	108,575	93,231	79,334	68,474	52,273
School qualifications	84,714	75,690	66,230	57,749	42,465
Post-school qualifications	24,199	20,199	21,024	17,831	12,703
Unknown/unspecified	13,502	2,735	1,129	522	149
Total	230,990	191,855	167,717	144,576	107,590

Note

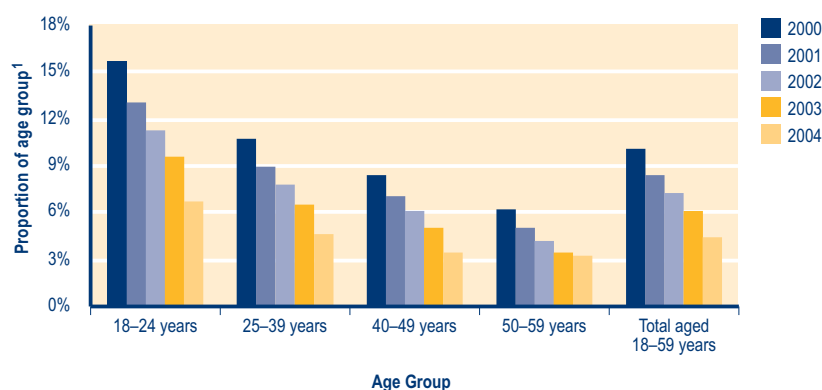
¹ Numbers of job seekers registered in SOLO at 30 June.

Trends in the proportion of all 18–59 year olds registered as job seekers

Decreases since 2000 in the proportion of 18–59 year olds registered as job seekers (see [Figure 3.14](#)) reflect decreases over the same period in the total number of registered job seekers. These decreases in turn reflect both operational changes in Work and Income and improved economic conditions.

figure
3.14

Trends in the proportion of 18–59 year olds registered as job seekers, by age



Note

¹ Proportion shows:

- a number of job seekers in age group registered in SOLO at 30 June, divided by
- b Statistics New Zealand final estimate of the resident population in age group at 30 June.

See [Table A3.11](#) (Appendix 3) for a summary of the SOLO data underlying [Figure 3.14](#).

Trends in new registrations of job seekers

Decreases since 1999/2000 in the annual number of new job seeker registrations (see [Table 3.43](#)) reflects both improved economic conditions and the impact of operational changes in Work and Income.

Of the job seeker registrations in each year since 2000/2001 (see [Table 3.43](#)):

- between 50% and 54% involved clients who had not been registered as a job seeker within the previous 12 months
- between 37% and 41% involved clients who had been registered as a job seeker within the last six months.

Since 1999/2000, the proportion of job seeker registrations involving clients who had never previously registered as job seekers has decreased (from 29% to 21%) (see [Table 3.43](#)).

table 3.43 Trends in the length of period since newly registered job seekers were last enrolled as a job seeker

Period since client was last enrolled as a job seeker	New job seeker registrations ¹				
	1999/2000 Number	2000/2001 Number	2001/2002 Number	2002/2003 Number	2003/2004 Number
Under 6 months	114,057	113,097	108,729	95,155	76,720
6–12 months	33,208	34,564	35,810	31,681	27,014
12–18 months	14,934	13,932	16,634	14,744	13,347
18 months – 2 years	11,447	9,353	10,599	10,929	9,848
2–4 years	26,456	20,115	18,771	19,524	20,645
At least four years	28,144	22,703	19,902	17,147	15,342
Never previously registered as a job seeker	93,532	69,743	63,765	55,855	43,720
Total	321,778	283,507	274,210	245,035	206,636

Note

¹ Numbers of new job seeker registrations recorded in SOLO during years ended 30 June.

Trends in deregistration of job seekers

The annual number of job seeker deregistrations has decreased since 2000/2001 (see [Table 3.44](#)), reflecting decreases in the number of registered job seekers. Since 1999/2000, the proportion of job seeker deregistrations that reflect (see [Table 3.44](#)):

- clients entering paid work has increased (from 30% to 40%)
- clients leaving the labour market (eg to enter study or training) has increased (from 24% to 34%)
- clients who have lost contact with Work and Income has decreased (from 41% to 21%) – this partly reflects the impact of operational changes, including an increased emphasis on the case management of job seekers.

table 3.44 Trends in reasons for deregistrations of job seekers

Reason for deregistration	Job seeker deregistrations ¹				
	1999/2000 Number	2000/2001 Number	2001/2002 Number	2002/2003 Number	2003/2004 Number
Entered paid work	92,871	105,077	109,678	98,104	96,768
Entered training	14,234	14,627	13,186	12,176	12,778
Left labour market	72,929	82,965	82,660	79,245	83,098
Lost contact	125,168	119,393	92,357	79,454	51,496
Other	0	463	518	505	434
Total	305,202	322,525	298,399	269,484	244,574

Note

¹ Numbers of job seeker deregistrations recorded in SOLO during years ended 30 June.

Case management initiatives targeted to job seekers

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

- people with disabilities
- long-term Sickness Benefit and Invalids' Benefit recipients
- mature job seekers

- youth
- people who have been made redundant
- sole parents
- people living in rural and remote locations
- the very long-term unemployed.

These initiatives included:

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

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

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

Transition to Work assistance

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

- make a successful transition from benefits to employment
- remain in employment.

Transition to Work assistance may be available to clients seeking or taking up paid work. It consists of:

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

Eligibility for Transition to Work assistance

Work Start Grant

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

To receive a Work Start Grant, clients must:

- be aged 16 years of age or over
- have a verified job interview for a position involving at least 15 hours of work per week, or

have a verified job offer involving at least 15 hours of work per week (excluding self-employment)

- have an essential cost because of the job interview or job offer
- be unlikely to make the transition into paid work or to be able to attend the interview without receiving a Work Start Grant.

Residency, income and cash asset tests apply.

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

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

New Employment Transition Grant

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

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

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

- they have been unable to be involved in their business over the period because of their illness, the illness of their partner or child, or the breakdown in childcare arrangements
- there was in fact a loss of income (rather than a delay of income because work was re-scheduled)
- provision was not available from the business to cover the loss of income.

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

- the actual loss of gross income
- \$52.50 per day (as at 1 April 2004).

A total of no more than \$525.00 in New Employment Transition Grants may be paid to a client within the six-month period during which they are qualified for a New Employment Transition Grant. New Employment Transition Grants are non-taxable and non-recoverable.

Seasonal Work Assistance

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

Residency, income and cash asset tests apply. Seasonal Work Assistance is only available to clients undertaking work in a list of horticultural industries approved by MSD's Chief Executive. At 30 June 2004, Seasonal Work Assistance was available to people working in the fruit, vegetable, flower, hops, hemp, tobacco and nursery plant industries.

The amount of Seasonal Work Assistance payable depends on the client's family circumstances and on the actual net income lost during the week. The amount of Seasonal Work Assistance to be paid per week is the lesser of the actual net income lost for the week or the maximum weekly payment the client may be paid. The maximum weekly payments of Seasonal Work Assistance clients may receive as at 1 April 2004 are shown in [Table 3.45](#) below.

table
3.45

Maximum rates of Seasonal Work Assistance payable (payable at 1 April 2004)

Hours of work lost (over week)	Maximum payment (as at 1 April 2004)	
	Single person	Married person or sole parent
1–8 hours	\$34.00	\$63.00
9–16 hours	\$68.00	\$126.00
17–24 hours	\$102.00	\$189.00
25–32 hours	\$136.00	\$252.00
33–40 hours	\$170.00	\$315.00
Over 40 hours	\$170.00	\$315.00

A total of no more than \$630.00 in Seasonal Work Assistance may be paid to a client within the six-month period during which they are qualified for Seasonal Work Assistance. Seasonal Work Assistance is non-taxable and non-recoverable.

Pathways Payment

A Pathways Payment is a one-off lump sum payment to assist clients who are entering paid employment with the living costs they encounter between the cancellation of the benefit and either of the following:

- their first wage or salary payment
- the receipt of their first payment as a self-employed person.

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

- cancel a core benefit (other than an Unsupported Child's Benefit or Orphan's 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 core benefits for a continuous period of 12 months or more prior to entering paid employment.

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

The Pathways Payment is equal to two weeks of the core benefit received by the client (after tax) in the week before the benefit was cancelled. Pathways Payments are:

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

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

Trends in payments of Transition to Work assistance

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

Trends in the number of Work Start Grants provided

The number of Work Start Grants provided each year has fluctuated since 1999/2000 (see [Table 3.46](#)). This reflects both trends in the number of registered job seekers and an increased emphasis among Work and Income staff on placing clients into paid employment. Since 1999/2000, between 70% and 73% of the Work Start Grants provided each year have met work placement costs faced by non-students (see [Table 3.46](#)).

table 3.46 Trends in the types of expenditure met by Work Start Grants provided

Type of expenditure	Work Start Grants provided ¹				
	1999/2000 Number	2000/2001 Number	2001/2002 Number	2002/2003 Number	2003/2004 Number
Bridging Finance	3,319	6,533	11,373	7,354	7,994
Job Search Costs	8,835	10,713	10,881	8,478	8,313
Work Placement Costs	29,936	43,153	53,738	43,904	47,231
Bridging Finance – Student ²	–	–	128	74	71
Job Search Costs – Student ²	–	–	104	122	73
Work Placement Costs – Student ²	–	–	511	599	686
Unspecified	1,120	0	0	0	0
Total	42,090	60,399	76,735	60,531	64,368

Notes

- 1 Numbers of Work Start Grants recorded in SWIFFT during years ended 30 June.
- 2 Work Start Grants covering costs faced by students were not available before 2001/2002.

Trends in the number of New Employment Transition Grants provided

The number of New Employment Transition Grants provided each year has decreased since 2001/2002 (see [Table 3.47](#)). This reflects the lower numbers of registered job seekers over the last two years, and the consequently lower numbers of deregistrations of job seekers.

table 3.47 Trends in the number of New Employment Transition Grants provided

	New Employment Transition Grants provided ¹				
	1999/2000 Number	2000/2001 Number	2001/2002 Number	2002/2003 Number	2003/2004 Number
Total	605	396	530	397	362

Note

- 1 Numbers of New Employment Transition Grants paid in years ended 30 June.

Trends in the number of Seasonal Work Assistance payments provided

The number of Seasonal Work Assistance payments made each year has increased over the last year (see [Table 3.48](#)). This reflects in part the impact of stormy weather patterns on the availability of opportunities to undertake seasonal work.

table 3.48 Trends in the number of Seasonal Work Assistance payments provided

	New Employment Transition Grants provided ¹	
	2002/2003 Number	2003/2004 Number
Total	1,472	2,890

Note

- 1 Numbers of Seasonal Work Assistance payments made in years ended 30 June.

Trends in the number of Pathways Payments made

The number of Pathways Payments made each year has increased between 2002/2003 and 2003/2004 (see [Table 3.49](#)). Of the Pathways Payments made each year since 2002/2003 (see [Table 3.49](#)):

- between 64% and 67% were provided to clients who ceased receiving a carers' benefit
- between 28% and 31% were provided to clients who ceased receiving an unemployment-related benefit.

**table
3.49**

Trends in the number of Pathways Payments provided

Type of core benefits cancelled before receiving a Pathways payment	Pathways Payments provided ¹	
	2002/2003 Number	2003/2004 Number
Unemployment-related benefits	1,675	1,736
Carers' benefits	3,410	4,231
Sickness-related benefits	139	135
Invalids' Benefit	60	99
Widows' Benefit	52	52
Emergency Benefit	13	16
No core benefit	11	5
Total	5,360	6,274

Note

¹ Numbers of Pathways payments made in years ended 30 June.

Trends in expenditure on Transition to Work assistance***Trends in expenditure on Work Start Grants***

Fluctuations in expenditure on Work Start Grants since 1999/2000 (see [Table 3.50](#)) largely reflect fluctuations in the number of Work Start Grants paid. The average amount of each Work Start Grant has fluctuated around a relatively small range since 1999/2000 (see [Table 3.50](#)).

table 3.50 Trends in the value of Work Start Grants provided for each expenditure type

Type of expenditure covered by Work Start Grants	Expenditure on Work Start Grants ¹				
	1999/2000 Amount	2000/2001 Amount	2001/2002 Amount	2002/2003 Amount	2003/2004 Amount
Bridging Finance (\$000)	673	1,213	2,355	1,514	1,663
Job Search Costs (\$000)	852	975	967	732	699
Work Placement Costs (\$000)	3,852	5,097	6,809	5,556	5,825
Bridging Finance – Student (\$000) ²	–	–	28	14	15
Job Search Costs – Student (\$000) ²	–	–	12	13	8
Work Placement Costs – Student (\$000) ²	–	–	65	76	84
Unspecified (\$000)	152	0	0	0	0
Total (\$000)	5,530	7,285	10,235	7,906	8,294
Average amount per payment (\$)	128	121	133	131	129

Note

1 Expenditure on Work Start Grants recorded in SWIFTT during the year ended 30 June.

2 Work Start Grants covering costs faced by students were not available before 2001/2002.

Trends in expenditure on New Employment Transition Grants

Fluctuations since 1999/2000 in expenditure on New Employment Transition Grants reflect increases in the average value of the grants paid as well as fluctuations in the number of grants made (see [Table 3.51](#)). The combination of declining total expenditure on New Employment Transition Grants combined with historically high average payments evident in the last two years (see [Table 3.51](#)) reflects in part the reduced numbers of registered job seekers over that period.

table 3.51 Trends in expenditure on New Employment Transition Grants

	Expenditure on New Employment Transition Grants ¹				
	1999/2000 Amount	2000/2001 Amount	2001/2002 Amount	2002/2003 Amount	2003/2004 Amount
Total (\$000)	90	70	100	85	72
Average amount per payment (\$)	148	177	188	213	200

Note

1 Expenditure on New Employment Transition Grants recorded in SWIFTT in years ended 30 June.

Trends in expenditure on Seasonal Work Assistance payments

Expenditure on Seasonal Work Assistance payments increased significantly between 2002/2003 and 2003/2004 (see [Table 3.52](#)). This reflects increases in the number of Seasonal Work Assistance payments made, as the average value of payments decreased over the same period (see [Table 3.52](#)).

table
3.52

Trends in expenditure on Seasonal Work Assistance payments

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

Note

¹ Expenditure on Seasonal Work Assistance payments during years ended 30 June.

Transitional Retirement Benefit

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

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

Transitional Retirement Benefits were introduced on 1 April 1994 to provide financial assistance to people who were:

- retired or approaching retirement
- affected by the incremental increases in the age of eligibility for New Zealand Superannuation that occurred between 1 April 1993 and 1 April 2001.

The age of eligibility for a Transitional Retirement Benefit was raised concurrently with the age of eligibility for New Zealand Superannuation, rising three months every six months.

Transitional Retirement Benefits were abolished on 1 April 2004, when the eligibility age (which had risen incrementally since 1 April 1994) reached 65 years.

Transitional Retirement Benefits were not work-tested, but were income tested. Clients receiving a Transitional Retirement Benefit were also required to meet residential qualifications.

Trends in the number of clients receiving a Transitional Retirement Benefit

The abolition of the Transitional Retirement Benefit on 1 April 2004 meant that no-one was receiving a Transitional Retirement Benefit on 30 June 2004. [Table 3.53](#) therefore shows trends in receipt of Transitional Retirement Benefits to 30 June 2003.

Decreases between 2001 and 2003 in the number of clients receiving a Transitional Retirement Benefit (see [Table 3.53](#)) reflect a shortening of the period between eligibility for a Transitional Retirement Benefit and eligibility for New Zealand Superannuation. This shortening of the period of eligibility for a Transitional Retirement Benefit results from:

- the age of eligibility for a Transitional Retirement Benefit being raised from 63.5 years at 1 April 2001 to 64.5 years on 1 April 2003
- the age of eligibility for New Zealand Superannuation being fixed at 65 years since 1 April 2001.

This shortening of the period between eligibility for a Transitional Retirement Benefit and eligibility for New Zealand Superannuation has also meant that, since 2002, over 99% of clients receiving a Transitional Retirement Benefit had been doing so for under two years (see [Table 3.53](#)).

table 3.53 Trends in the length of current spells receiving a Transitional Retirement Benefit

Length of current spell at 30 June	Clients receiving a Transitional Retirement Benefit ¹			
	2000 Number	2001 Number	2002 Number	2003 Number
Under 6 months	2,035	2,080	1,478	1,168
6 months – 2 years	4,894	4,790	3,623	932
2–4 years	1,914	2,133	10	6
Over 4 years	13	9	7	4
Unspecified	0	0	0	0
Total	8,856	9,012	5,118	2,110

Note

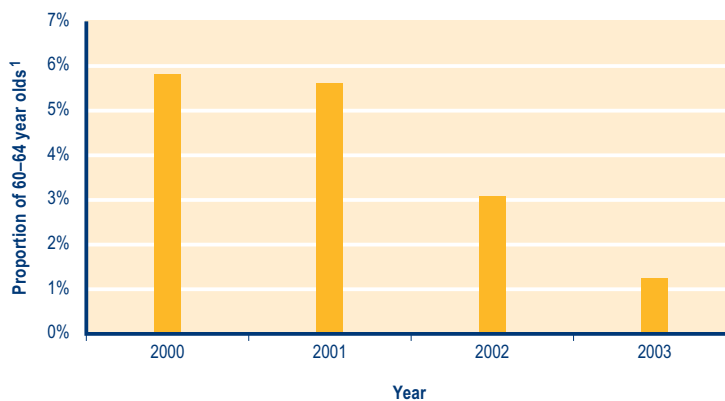
¹ Numbers of clients recorded in SWIFTT as receiving a Transitional Retirement Benefit at 30 June.

Table 7.1 (see Section 7) shows trends since 1994 in the number of clients receiving a Transitional Retirement Benefit.

Trends in the proportion of 60–64 year olds receiving a Transitional Retirement Benefit

Decreases since 2001 in the proportion of 60–64 year olds receiving a Transitional Retirement Benefit (see **Figure 3.15**) reflect the shortening since April 2001 of the period between eligibility for a Transitional Retirement Benefit and eligibility for New Zealand Superannuation and the consequent reduction in numbers receiving a Transitional Retirement Benefit.

figure 3.15 Trends in the proportion of 60–64 year olds receiving a Transitional Retirement Benefit



Note

¹ Proportion shows:

- a numbers of clients aged 60–64 years recorded in SWIFTT as receiving a Transitional Retirement Benefit at 30 June, divided by
- b Statistics New Zealand final estimate of the resident population aged 60–64 years at 30 June.

See **Table A3.12** (Appendix 3) for a summary of the SWIFTT data underlying **Figure 3.15**.

Trends in Transitional Retirement Benefits granted

The number of Transitional Retirement Benefits granted each year has reduced significantly in the last three years (see **Table 3.54**), reflecting the impact of incremental increases in the age of entitlement for a Transitional Retirement Benefit. Since 1999/2000, the proportion of Transitional Retirement Benefits granted that were provided to (see **Table 3.54**):

- clients transferring from another core benefit has increased (from 55% to 76%)
- clients who had not received a core benefit in the previous four years has decreased (from 36% to 18%).

table 3.54 Trends in the length of period since clients granted a Transitional Retirement Benefit last received any core benefit

Period since client last received a core benefit	Transitional Retirement Benefits granted ¹				
	1999/2000 Number	2000/2001 Number	2001/2002 Number	2002/2003 Number	2003/2004 Number
None (administrative transfer of client who continued to receive some core benefit)	2,448	2,481	2,045	2,039	942
Under 6 months	130	162	141	67	26
6–12 months	79	98	101	44	15
12–18 months	40	50	38	21	15
18 months – 2 years	46	43	37	27	4
2–4 years	94	112	93	59	11
Not received a core benefit in previous four years	1,613	1,508	1,121	724	229
Total	4,450	4,454	3,576	2,981	1,242

Note

¹ Numbers of successful applications for Transitional Retirement Benefits recorded in SWIFTT during years ended 30 June.

Trends in cessations of Transitional Retirement Benefits

The annual number of cessations of Transitional Retirement Benefits decreased significantly between 2001/2002 and 2003/2004 (see [Table 3.55](#)), reflecting decreases in the numbers receiving a Transitional Retirement Benefit. Higher levels of cessations between 2001/2002 and 2002/2003 than between 1999/2000 and 2000/2001 (see [Table 3.55](#)) reflect increased transfers to New Zealand Superannuation once the eligibility age for New Zealand Superannuation was fixed in April 2001.

Since 1999/2000, the proportion of Transitional Retirement Benefit cessations each year that reflect clients transferring to another core benefit or pension has increased (from 90% to 99%) (see [Table 3.55](#)). Over this period, clients transferring from the Transitional Retirement Benefit to another core benefit or pension have almost always transferred to New Zealand Superannuation.

table 3.55 Trends in reasons for cessations of Transitional Retirement Benefits

Reason for cessation	Cessations of Transitional Retirement Benefits ¹				
	1999/2000 Number	2000/2001 Number	2001/2002 Number	2002/2003 Number	2003/2004 Number
Obtained paid work	116	129	110	51	5
Transferred to another core benefit or pension	3,863	3,831	7,082	5,859	3,309
Other	323	372	325	140	41
Total	4,302	4,332	7,517	6,050	3,355

Note

¹ Numbers of cessations of Transitional Retirement Benefits recorded in SWIFTT during years ended 30 June.

Trends in expenditure on Transitional Retirement Benefits

Annual expenditure on Transitional Retirement Benefits increased between 1994/1995 and 2000/2001, but has decreased sharply over the last three years (see Table 3.56). Changes in expenditure on Transitional Retirement Benefits largely reflect changes in the number of people receiving a Transitional Retirement Benefit.

table
3.56

Trends in annual expenditure on Transitional Retirement Benefits

Year ended 30 June	Expenditure on Transitional Retirement Benefits ^{1,2,3,4} (\$ million)
1993/1994	12
1994/1995	78
1995/1996	90
1996/1997	96
1997/1998	99
1998/1999	105
1999/2000	112
2000/2001	113
2001/2002	91
2002/2003	46
2003/2004	12

Notes

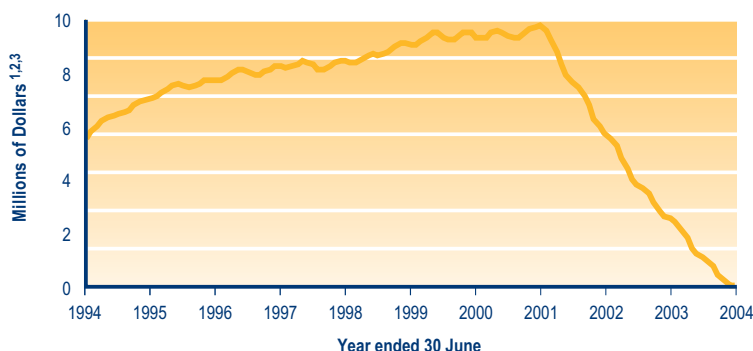
- 1 Expenditure on Transitional Retirement Benefits in years ended 30 June.
- 2 Expenditure shown includes expenditure on supplementary benefits provided to clients receiving a Transitional Retirement Benefit.
- 3 Expenditure shown is net of taxation, adjusted for the number of payments of Transitional Retirement Benefit made during the year, 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.

Since 1994/1995, monthly expenditure on Transitional Retirement Benefits has reflected the numbers of people receiving a Transitional Retirement Benefit. The rapid decrease in Transitional Retirement Benefit expenditure over the last three years reflects the steep decrease in numbers receiving a Transitional Retirement Benefit that resulted from contraction of the period between eligibility for a Transitional Retirement Benefit and eligibility for New Zealand Superannuation following the fixing of the New Zealand Superannuation eligibility age in April 2001.

Between 1995/1996 and 2000/2001, monthly expenditure on Transitional Retirement Benefits has shown seasonal patterns that reflect peaks in applications for Transitional Retirement Benefits in April and October (see Figure 3.16). These peaks occurred as the incremental adjustments of the eligibility age for Transitional Retirement Benefits took effect, but have been more than outweighed since 2000/2001 by decreases in the number of clients receiving a Transitional Retirement Benefit.

figure
3.16

Trends in monthly expenditure on Transitional Retirement Benefits



Notes

- 1 Monthly expenditure on Transitional Retirement Benefits, including expenditure on supplementary benefits paid to clients receiving a Transitional Retirement Benefit.
- 2 Expenditure shown is net of taxation, adjusted for the number of payments of Transitional Retirement Benefit made during the month, and smoothed using a three-month moving average.
- 3 Expenditure data in this graph differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

Table 7.2 (see Section 7) shows trends since 1994 in expenditure on Transitional Retirement Benefits. Please note that expenditure on Transitional Retirement Benefits shown in **Table 7.2** includes:

- deductions for debt established since 1996, while the data in **Table 3.56** and **Figure 3.16** does not
- expenditure on supplementary benefits paid to people receiving a Transitional Retirement Benefit.

New Zealand Superannuation

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

On 1 April 1992, the qualifying age was increased from 60 years to 61 years. The qualifying age was then increased by three months every six months between 1 April 1993 and 1 April 2001. It has remained fixed at 65 years since 1 April 2001.

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

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

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

Clients may at any time choose to include or exclude their non-qualifying spouse from their pension payment.

New Zealand Superannuation payments are made gross of tax. Recipients pay tax on New Zealand Superannuation at the rate appropriate to their financial circumstances.

Trends in the number of clients receiving New Zealand Superannuation

The number of clients receiving New Zealand Superannuation decreased between 2000 and 2001, but has increased for the last three years (see [Table 3.57](#)). This reflects the impact of:

- incremental increases in the eligibility age until 1 April 2001
- fixing of the eligibility age at 65 years from 1 April 2001
- relatively constant cessations over the period 2000–2004.

Since 2000, between 66% and 69% of clients receiving New Zealand Superannuation have been aged 70 years or over (see [Table 3.57](#)).

table
3.57

Trends in the ages of clients receiving New Zealand Superannuation

Client age at 30 June	Clients receiving New Zealand Superannuation ¹				
	2000 Number	2001 Number	2002 Number	2003 Number	2004 Number
Under 60 years ²	6,303	5,293	5,038	4,878	4,507
60–64 years ²	25,472	14,933	14,140	13,617	12,815
65–69 years	121,105	119,719	120,489	123,485	127,786
70–74 years	111,812	112,963	112,741	112,069	111,757
75–79 years	87,937	89,363	90,434	92,571	94,098
80 years or over	100,750	104,406	107,593	110,658	113,661
Unspecified	22	29	0	0	0
Total	453,401	446,706	450,435	457,278	464,624

Notes

- ¹ Numbers of clients recorded in SWIFTT as receiving New Zealand Superannuation at 30 June.
- ² Clients receiving New Zealand Superannuation while under the qualifying age are non-qualified spouses.

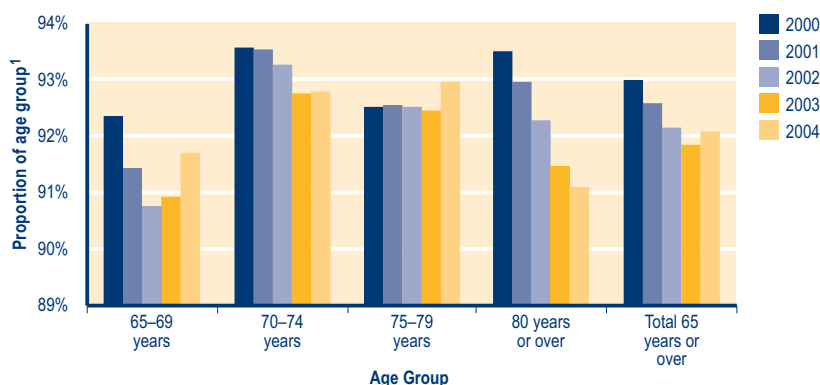
[Table 7.1](#) (see Section 7) shows trends since 1940 in the number of clients receiving New Zealand Superannuation.

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

Between 2000 and 2004, around 92% of people aged 65 years or over have been receiving New Zealand Superannuation (see [Figure 3.17](#)).

The proportion of people aged 65 years or over receiving New Zealand Superannuation decreased between 2000 and 2003, then increased slightly in 2004 (see [Figure 3.17](#)). The increased use of New Zealand Superannuation in 2004 was evident among 65–79 year olds, while the proportion of people aged 80 years or over receiving New Zealand Superannuation continued to decline (see [Figure 3.17](#)). As in 2000–2003, decreasing use of New Zealand Superannuation among people aged 80 years or over reflects increases in the proportion of those aged 80 years or over receiving a Veterans' Pension.

figure 3.17 Trends in the proportion of people aged 65 years or over receiving New Zealand Superannuation, by age



Note

¹ Proportion shows:

- a numbers of clients in age group receiving New Zealand Superannuation, divided by
- b Statistics New Zealand final estimate of the resident population in age group at 30 June.

See [Table A3.13](#) (Appendix 3) for a summary of the SWIFTT data underlying [Figure 3.17](#).

Trends in New Zealand Superannuation pensions granted

The number of New Zealand Superannuation pensions granted each year increased slowly between 1999/2000 and 2000/2001, showed a rapid increase in 2001/2002, then showed slower increases over the last two years (see [Table 3.58](#)). This reflects the impact of:

- incremental increases in the age of eligibility for New Zealand Superannuation between 1 April 1993 and 1 April 2001
- the fixing of the age of eligibility for New Zealand Superannuation at 65 years since 1 April 2001.

Of the New Zealand Superannuation pensions granted each year since 1999/2000 (see [Table 3.58](#)):

- between 67% and 71% have been provided to clients who had not received a core benefit or pension within the last four years
- between 23% and 28% have involved clients transferring from another core benefit or pension.

table 3.58 Trends in the length of period since clients granted New Zealand Superannuation last received any core benefit or pension

Period since core benefit or pension last received	New Zealand Superannuation pensions granted ¹				
	1999/2000 Number	2000/2001 Number	2001/2002 Number	2002/2003 Number	2003/2004 Number
None (administrative transfer of client who continued to receive some core benefit)	5,068	4,981	9,031	8,826	8,216
Under 6 months	208	160	260	280	375
6–12 months	167	182	229	363	361
12–18 months	146	136	211	332	268
18 months – 2 years	111	110	220	267	240
2–4 years	457	444	761	736	786
Not received a core benefit in previous four years	12,524	13,186	21,769	23,779	25,312
Total	18,681	19,199	32,481	34,583	35,558

Note

¹ Numbers of successful applications for New Zealand Superannuation recorded in SWIFTT during years ended 30 June.

Trends in expenditure on New Zealand Superannuation

Expenditure on New Zealand Superannuation reflects the combined effects of the numbers receiving New Zealand Superannuation and adjustments to the rate at which New Zealand Superannuation is paid. Between 1991/1992 and 1999/2000, numbers receiving New Zealand Superannuation fell, largely because of incremental increases in the age of eligibility for New Zealand Superannuation from 1 April 1992. Over most of this period, however, adjustments to the rate at which New Zealand Superannuation is paid, combined with increased expenditure on Disability Allowances, more than offset the effect of decreasing numbers (see [Table 3.59](#)).

Rapid increases since 2000/2001 in expenditure on New Zealand Superannuation (see [Table 3.59](#)) reflect a combination of:

- increases over this period in the numbers of clients receiving New Zealand Superannuation following the fixing of the age of eligibility at 1 April 2001
- increases between 1999/2000 and 2002/2003 in the rate at which New Zealand Superannuation is paid.

table 3.59 Trends in annual expenditure on New Zealand Superannuation

Year ended 30 June	Expenditure on New Zealand Superannuation ^{1,2,3,4} (\$ million)
1991/1992	5,153
1992/1993	5,070
1993/1994	5,045
1994/1995	5,083
1995/1996	5,158
1996/1997	5,187
1997/1998	5,263
1998/1999	5,253
1999/2000	5,228
2000/2001	5,457
2001/2002	5,638
2002/2003	5,831
2003/2004	6,085

Notes

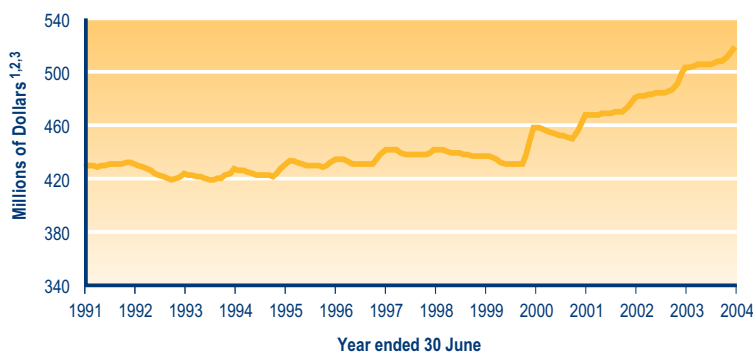
- 1 Expenditure on New Zealand Superannuation in years ended 30 June.
- 2 Expenditure includes expenditure on supplementary benefits provided to recipients of New Zealand Superannuation.
- 3 Expenditure is gross of taxation, is adjusted for the number of payments of New Zealand Superannuation made during the year, and is 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.

In general, monthly expenditure on New Zealand Superannuation (see [Figure 3.18](#)) shows a strong relationship to the number of people receiving New Zealand Superannuation pensions and adjustments in the rate of New Zealand Superannuation paid.

Seasonal peaks in New Zealand Superannuation expenditure during the second and fourth quarters of each financial year between 1992/1993 and 2000/2001 (see [Figure 3.18](#)) reflect the impact on New Zealand Superannuation expenditure of a surge of New Zealand Superannuation pensions being granted in April and October each year (as each incremental increase in eligibility age took effect). These peaks have not been in evidence over the last three years because the age of eligibility for New Zealand Superannuation has been fixed at 65 years since 1 April 2001.

figure
3.18

Trends in monthly expenditure on New Zealand Superannuation



Notes

- 1 Monthly expenditure on New Zealand Superannuation, including expenditure on supplementary benefits paid to New Zealand Superannuation recipients.
- 2 Expenditure shown is gross of taxation, is adjusted for the number of payments of New Zealand Superannuation made during the month, and is smoothed using a three-month moving average.
- 3 Expenditure data in this graph differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

Table 7.2 (see Section 7) shows trends since 1940 in expenditure on New Zealand Superannuation. Please note that expenditure on New Zealand Superannuation shown in Table 7.2 includes:

- deductions for debt established since 1996 and for overseas pensions paid directly to MSD, while the data in **Table 3.59** and **Figure 3.18** does not
- expenditure on supplementary benefits paid to people receiving New Zealand Superannuation.

Veterans' Pension

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

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

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

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

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

Trends in the number of clients receiving a Veterans' Pension

The number of clients receiving a Veterans' Pension has increased since 2000 (see [Table 3.60](#)). Since 2000, the proportion of Veterans' Pension recipients who were aged 80 years or over has increased (from 41% to 56%), while the proportion aged 75–79 years has decreased (from 34% to 21%) (see [Table 3.60](#)). This reflects the ageing of World War Two veterans and their spouses, who are the largest group of Veterans' Pension recipients.

table 3.60 Trends in the ages of clients receiving a Veterans' Pension

Age at 30 June	Clients receiving a Veterans' Pension ¹				
	2000 Number	2001 Number	2002 Number	2003 Number	2004 Number
Under 60 years	272	325	351	350	365
60–64 years	149	192	243	278	312
65–69 years	370	362	395	415	452
70–74 years	1,009	893	773	753	779
75–79 years	2,459	2,316	2,114	1,887	1,793
80 years or over	2,988	3,336	3,711	4,189	4,764
Unspecified	1	1	0	0	0
Total	7,248	7,425	7,587	7,872	8,465

Note

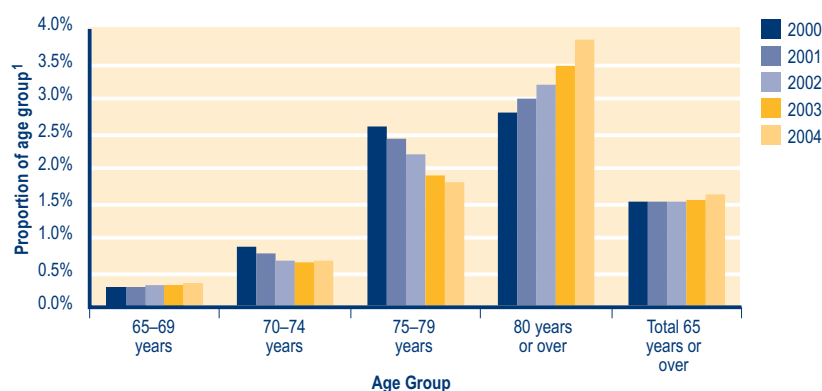
¹ Numbers of clients recorded in SWIFT as receiving a Veterans' Pension at 30 June.

[Table 7.1](#) (see Section 7) shows trends since 1990 in the number of clients receiving a Veterans' Pension.

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

Since 2000, around 1.5% of people aged 65 years or over have been receiving a Veterans' Pension (see [Figure 3.19](#)). Increases in the proportion of people aged 80 years or over who are receiving a Veterans' Pension (see [Figure 3.19](#)) largely reflect the ageing of World War Two veterans and their spouses or partners. These clients comprise the largest group of people receiving a Veterans' Pension.

figure 3.19 Trends in the proportion of people aged 65 years or over receiving a Veterans' Pension, by age



Note

¹ Proportion shows:
 a numbers of clients in age group recorded in SWIFT as receiving a Veterans' Pension at 30 June, divided by
 b Statistics New Zealand final estimate of the resident population in age group at 30 June.

See [Table A3.14](#) (Appendix 3) for a summary of the SWIFTT data underlying [Figure 3.19](#).

Trends in Veterans' Pensions granted

Increases since 1999/2000 in the number of Veterans' Pensions granted each year (see [Table 3.61](#)) reflect assessments of clients as being 70% disabled or more under War Disablement Pensions criteria. Factors in the number of Veterans' Pensions granted each year include the ageing of veterans, War Disablement Pensions criteria, and reviews of entitlement to a War Disablement Pension.

Since 1999/2000, the proportion of Veterans' Pensions granted each year that reflected administrative transfers of clients from another core benefit or pension has increased (from 77% to 86%), while the proportion provided to clients who had not received a core benefit or pension in the previous four years has decreased (from 20% to 13%) (see [Table 3.61](#)). Veterans' Pensions granted after an administrative transfer most frequently involved clients transferring from New Zealand Superannuation.

table 3.61 Trends in the length of period since clients granted a Veterans' Pension last received any core benefit or pension

Period since client last received any core benefit or pension	Veterans' Pensions granted ¹				
	1999/2000 Number	2000/2001 Number	2001/2002 Number	2002/2003 Number	2003/2004 Number
None (administrative transfer of client who continued to receive some core benefit or pension)	371	586	651	769	1,076
Under 6 months	5	3	7	7	3
6–12 months	1	4	5	4	2
12–18 months	2	2	2	6	5
18 months – 2 years	1	2	2	4	4
2–4 years	7	5	14	7	7
Not received a core benefit or pension in previous four years	95	120	136	132	159
Total	482	722	817	929	1,256

Note

¹ Numbers of successful applications for Veterans' Pensions recorded in SWIFTT in years ended 30 June.

Trends in expenditure on Veterans' Pensions

Increases since 1991/1992 in annual expenditure on Veterans' Pensions (see [Table 3.62](#)) reflect increases in the number of people receiving a Veterans' Pension and changes in the rate at which Veterans' Pensions are paid.

table 3.62 Trends in annual expenditure on Veterans' Pensions

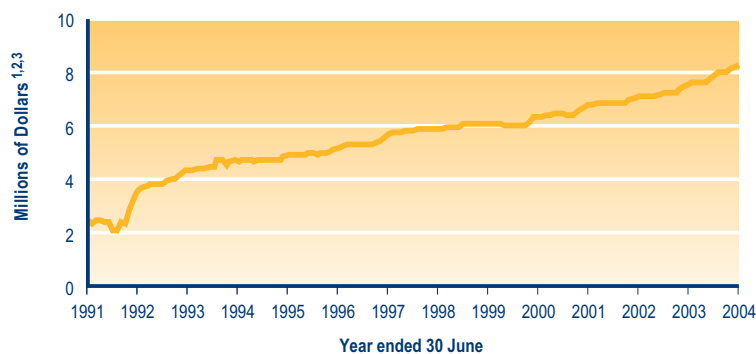
Year ended 30 June	Expenditure on Veterans' Pensions ^{1,2,3,4} (\$ million)
1991/1992	30
1992/1993	47
1993/1994	54
1994/1995	56
1995/1996	59
1996/1997	64
1997/1998	70
1998/1999	72
1999/2000	73
2000/2001	77
2001/2002	83
2002/2003	87
2003/2004	94

Notes

- 1 Expenditure on Veterans' Pensions in years ended 30 June.
- 2 Expenditure includes expenditure on supplementary benefits provided to clients receiving a Veterans' Pension.
- 3 Expenditure shown is net of taxation, adjusted for the number of payments of Veterans' Pensions made during the year, and smoothed using a two-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.

Relatively little seasonal variation is evident in monthly expenditure on Veterans' Pensions (see [Figure 3.20](#)).

figure 3.20 Trends in monthly expenditure on Veterans' Pensions



Notes

- 1 Monthly expenditure on Veterans' Pensions, including expenditure on supplementary benefits paid to clients receiving a Veterans' Pension.
- 2 Expenditure shown is net of taxation, adjusted for the number of payments of Veterans' Pension made during the month, and smoothed using a two-month moving average.
- 3 Expenditure data in this graph differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

Table 7.2 (see Section 7) shows trends since 1990 in expenditure on Veterans' Pensions. Please note that expenditure on Veterans' Pensions shown in **Table 7.2** includes:

- deductions for debt established from 1996, while the data in **Table 3.62** and **Figure 3.20** does not
- expenditure on supplementary benefits paid to people receiving a Veterans' Pension.

Emergency Benefit

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

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

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

Income and asset tests apply.

Trends in the number of clients receiving an Emergency Benefit

The number of clients receiving an Emergency Benefit decreased between 1999 and 2002, but has risen slightly in the last two years (see [Table 3.63](#)). Since 2000, the proportion of clients receiving an Emergency Benefit who were aged 65 years or over has increased (from 35% to 53%) (see [Table 3.63](#)).

table 3.63 Trends in the ages of people receiving an Emergency Benefit

Client age at 30 June	Clients receiving an Emergency Benefit ¹				
	2000 Number	2001 Number	2002 Number	2003 Number	2004 Number
15–19 years	155	219	174	208	198
20–24 years	465	449	295	408	352
25–29 years	593	534	364	413	368
30–34 years	676	649	438	480	422
35–39 years	679	601	391	450	450
40–44 years	654	578	388	429	397
45–49 years	553	516	371	469	446
50–54 years	619	558	394	391	397
55–59 years	686	656	421	398	412
60–64 years	1,255	1,244	805	788	734
65 years or over	3,372	3,718	3,769	4,294	4,771
Unspecified	0	0	0	0	0
Total	9,707	9,722	7,810	8,728	8,947

Note

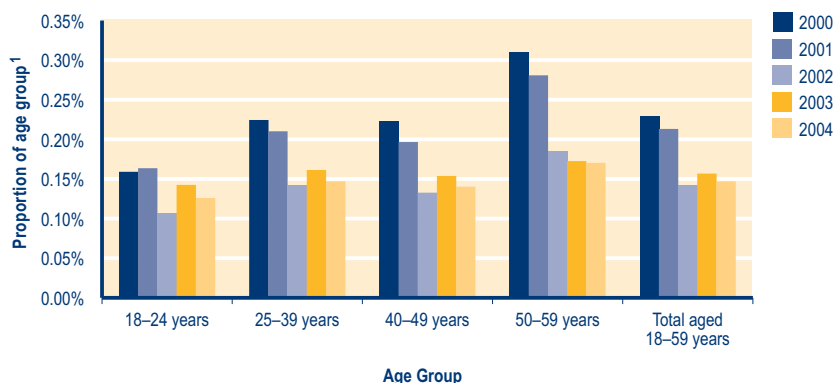
¹ Numbers of clients recorded in SWIFTT as receiving an Emergency Benefit at 30 June.

Trends in the proportion of 18–59 year olds receiving an Emergency Benefit

Since 2000, around 0.2% of people aged 18–59 years have been receiving an Emergency Benefit (see [Figure 3.21](#)). In all age groups, the proportion receiving an Emergency Benefit was significantly higher in 2000 and 2001 than in the last three years (see [Figure 3.21](#)). This reflects the increased concentration noted earlier of Emergency Benefit receipt among people aged 65 years or over.

figure
3.21

Trends in the proportion of 18–59 year olds receiving an Emergency Benefit, by age



Note

1 Proportion shows:

- a number of clients in age group recorded in SWIFT as receiving an Emergency Benefit at 30 June, divided by
- b Statistics New Zealand final estimate of the resident population in age group at 30 June.

See [Table A3.15](#) (Appendix 3) for a summary of the SWIFT data underlying [Figure 3.21](#).

Trends in Emergency Benefits granted

The number of Emergency Benefits granted each year has increased over the last two years (see [Table 3.64](#)). Since 1999/2000, the proportion of Emergency Benefits granted each year that were provided to clients who (see [Table 3.64](#)):

- had received a core benefit within the last 12 months has increased (from 23% to 37%)
- had not received a core benefit in the previous four years has decreased (from 44% to 22%).

table
3.64

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

Period since client last received any core benefit	Emergency Benefits granted ¹				
	1999/2000 Number	2000/2001 Number	2001/2002 Number	2002/2003 Number	2003/2004 Number
None (administrative transfer of client who continued to receive some core benefit)	998	1,079	1,050	1,407	2,101
Under 6 months	1,352	1,971	1,620	2,502	3,622
6–12 months	422	562	672	714	1,008
12–18 months	179	263	186	233	330
18 months – 2 years	124	168	117	171	254
2–4 years	224	286	268	327	457
Not received a core benefit in previous four years	2,631	3,076	2,114	2,055	2,128
Total	5,930	7,405	6,027	7,409	9,900

Note

- 1 Numbers of successful applications for Emergency Benefits recorded in SWIFT in years ended 30 June.

Trends in cessations of Emergency Benefits

The number of Emergency Benefits ceased each year increased significantly in the last year, after decreasing between 2001/2002 and 2002/2003 (see [Table 3.65](#)). Since 2000/2001, the proportion of annual Emergency Benefit cessations that reflect clients entering paid work has increased (from 21% to 35%), while the proportion reflecting transfers to another core benefit or pension has decreased (from 43% to 27%) (see [Table 3.65](#)).

table 3.65 Trends in reasons for cessations of Emergency Benefits

Reason for cessation	Cessations of Emergency Benefits ¹				
	1999/2000 Number	2000/2001 Number	2001/2002 Number	2002/2003 Number	2003/2004 Number
Obtained paid work	1,491	1,850	1,689	1,771	3,292
Transferred to another benefit or pension	1,993	2,269	3,372	1,956	2,505
Other	3,046	3,334	2,877	2,575	3,634
Total	6,530	7,453	7,938	6,302	9,431

Note

¹ Numbers of Emergency Benefit cessations recorded in SWIFTT in years ended 30 June.

Section 4 Supplementary benefits and hardship assistance

Introduction

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

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

Supplementary benefits

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

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

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

Accommodation Supplement

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

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

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

Trends in the number of clients receiving an Accommodation Supplement

The number of clients receiving an Accommodation Supplement has decreased since 2000 (see [Table 4.1](#)). This reflects:

- a reduction in numbers of people receiving core benefits
- the impact of the reintroduction in November 2000 of income-related rents for state rental homes.

Since 2000, between 29% and 33% of the clients receiving an Accommodation Supplement have been receiving a carers' benefit (see [Table 4.1](#)). Over the same period, there have been (see [Table 4.1](#)):

- increases in the proportion of Accommodation Supplement recipients who were receiving:
 - a sickness-related benefit (from 8% to 13%)
 - an Invalids' Benefit (from 10% to 14%)
- a decrease in the proportion of Accommodation Supplement recipients who were receiving an unemployment-related benefit (from 33% to 21%).

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

Type of core benefit or pension paid at 30 June	Clients receiving an Accommodation Supplement ¹				
	2000 Number	2001 Number	2002 Number	2003 Number	2004 Number
Unemployment-related benefits ²	105,005	88,250	79,167	69,428	48,830
Carers' benefits ³	92,442	77,913	77,281	77,648	77,476
Sickness-related benefits ⁴	23,878	22,152	24,292	26,917	29,822
Invalids' Benefit	30,410	27,360	29,596	31,649	33,270
Widows' Benefit	3,454	2,572	2,572	2,502	2,495
Unsupported Child's Benefit/ Orphan's Benefit	0	0	0	2	0
Transitional Retirement Benefit	2,107	1,762	938	413	0
Emergency Benefit	7,588	6,391	5,085	5,522	5,541
New Zealand Superannuation	23,074	14,733	16,068	16,044	17,102
Veterans' Pension	339	205	245	250	281
No core benefit or pension	27,691	24,544	22,790	21,566	21,878
Total	315,988	265,882	258,034	251,941	236,695

Notes

- ¹ Numbers of clients recorded in SWIFTT as receiving an Accommodation Supplement at 30 June.
- ² Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to trainees, and Independent Youth Benefits.
- ³ Includes Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Caring for the Sick and Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.
- ⁴ Includes Sickness Benefits and Sickness Benefits – Hardship.

Since 2001, between 56% and 58% of Accommodation Supplement recipients have been renting privately, while around 23% have been boarding and between 16% and 18% have owned a house with a mortgage (see [Table 4.2](#)). Between 2000 and 2001, the proportion of Accommodation Supplement recipients who were renting from non-private organisations has decreased (from 16% to 2%) (see [Table 4.2](#)). This reflects the impact of the reintroduction of income-related rents for state rental homes.

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

Ownership status at 30 June	Clients receiving an Accommodation Supplement ¹				
	2000 Number	2001 Number	2002 Number	2003 Number	2004 Number
Renting privately	151,470	148,500	145,032	142,006	137,038
Renting from other organisation	48,935	6,505	6,642	5,921	5,936
Boarding	65,567	62,151	60,801	61,047	53,988
Mortgage	48,001	47,104	44,051	41,298	38,293
Unspecified	2,015	1,622	1,508	1,669	1,440
Total	315,988	265,882	258,034	251,941	236,695

Note

1 Numbers of clients recorded in SWIFTT as receiving an Accommodation Supplement at 30 June.

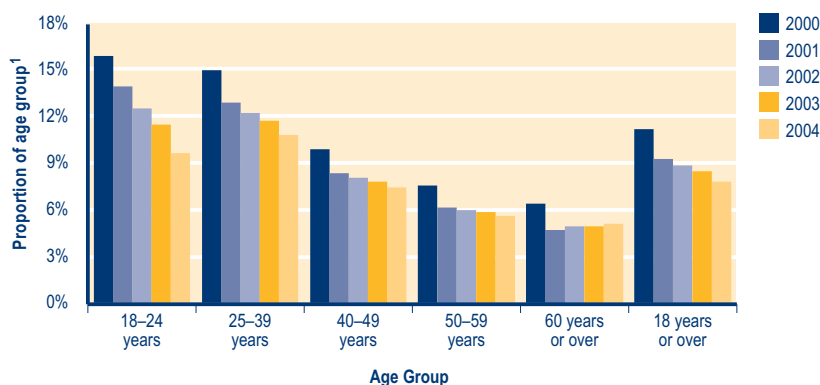
Trends in the proportion of people aged 18 years or over receiving an Accommodation Supplement

The proportion of people aged 18 years or over who were receiving an Accommodation Supplement has decreased since 2000 (see [Figure 4.1](#)). This reflects the impacts of:

- decreased numbers of people receiving core benefits
- the reintroduction in November 2000 of income-related rents for state rental homes.

Since 2000, the prevalence of receipt of an Accommodation Supplement has been significantly higher among 18–39 year olds than among people aged 40 years or over (see [Figure 4.1](#)).

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



Note

- 1 Proportion shows:
- number of people in age group recorded in SWIFTT as receiving an Accommodation Supplement at 30 June, divided by
 - Statistics New Zealand final estimate of the resident population in age group at 30 June.

See [Table A3.16](#) (Appendix 3) for a summary of the SWIFTT data underlying [Figure 4.1](#).

Trends in Accommodation Supplements granted

The annual number of Accommodation Supplements granted each year has decreased since 1999/2000 (see [Table 4.3](#)). This reflects the combined impact of:

- decreases in the number of people receiving core benefits
- the reintroduction in November 2000 of income-related rents for state rental homes.

Since 1999/2000, around 14% of Accommodation Supplements granted have been provided to clients receiving a carers' benefit (see [Table 4.3](#)). Over the same period, the proportion of Accommodation Supplements granted that were provided to recipients of sickness-related benefits has increased (from 11% to 17%), while the proportion provided to clients receiving unemployment-related benefits has decreased (from 58% to 47%) (see [Table 4.3](#)).

table
4.3

Trends in the types of core benefit or pension paid to clients granted an Accommodation Supplement

Type of core benefit or pension received when Accommodation Supplement granted	Accommodation Supplements granted ¹				
	1999/2000 Number	2000/2001 Number	2001/2002 Number	2002/2003 Number	2003/2004 Number
Unemployment-related benefits ²	159,634	149,290	136,534	124,627	106,165
Carers' benefits ³	38,977	37,077	34,462	34,734	34,666
Sickness-related benefits ⁴	30,103	30,797	32,220	33,905	37,338
Invalids' Benefit	9,313	9,176	9,462	9,799	10,205
Widows' Benefit	1,075	981	921	967	976
Unsupported Child's Benefit/ Orphan's Benefit	7	4	6	9	4
Transitional Retirement Benefit	1,243	1,142	776	688	271
Emergency Benefit	4,962	5,712	4,493	5,193	6,805
New Zealand Superannuation	3,911	3,344	4,620	4,209	4,633
Veterans' Pension	60	77	91	77	83
No core benefit or pension	25,895	25,620	23,652	23,411	24,765
Total	275,180	263,220	247,237	237,619	225,911

Notes

- ¹ Numbers of successful applications for Accommodation Supplements recorded in SWIFTT during years ended 30 June.
- ² Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to trainees, and Independent Youth Benefits.
- ³ Includes Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Caring for the Sick and Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.
- ⁴ Includes Sickness Benefits and Sickness Benefits – Hardship.

Trends in expenditure on Accommodation Supplements

Decreases since 1999/2000 in annual expenditure on Accommodation Supplements (see [Table 4.4](#)) reflect decreases in the number of clients receiving an Accommodation Supplement. These in turn reflect decreases in the number of clients receiving core benefits and the impact of the reintroduction of income-related rents in November 2000.

Changes in 1997 to the administration of Accommodation Supplements, to payment rates and to maximum levels available contributed to increased expenditure on Accommodation Supplements between 1997/1998 and 1999/2000. This increase in expenditure was, however, more than negated by the decreases in numbers receiving Accommodation Supplements since 1999/2000 outlined above.

table 4.4 Trends in annual expenditure on Accommodation Supplements

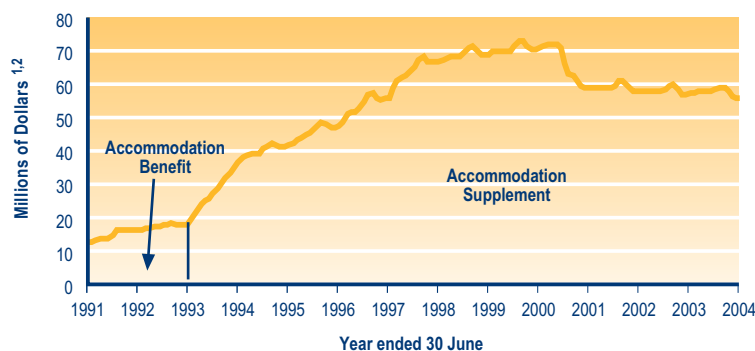
Year ended 30 June	Expenditure on Accommodation Supplements ^{1,2,3} (\$ million)
1991/1992	174
1992/1993	206
1993/1994	337
1994/1995	483
1995/1996	551
1996/1997	648
1997/1998	777
1998/1999	831
1999/2000	852
2000/2001	790
2001/2002	711
2002/2003	697
2003/2004	691

Notes

- 1 Expenditure on Accommodation Supplements in years ended 30 June.
- 2 Expenditure shown is adjusted for the number of payments of Accommodation Supplement made each year and smoothed using a two-month moving average. Accommodation Supplements are not subject to taxation.
- 3 Expenditure data in this table differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

Monthly expenditure on Accommodation Supplements shows small seasonal peaks in summer (see **Figure 4.2**). These reflect the seasonal peak in core benefit uptake that occurs around this time. The impact of the reintroduction of income-related rents for state rental homes is visible in **Figure 4.2** as a drop from mid 2000/2001 in monthly expenditure on Accommodation Supplements.

figure 4.2 Trends in monthly expenditure on Accommodation Supplements



Notes

- 1 Expenditure is adjusted for the number of payments of Accommodation Supplements made during the month and smoothed using a two-month moving average. Accommodation Supplements are not subject to taxation.
- 2 Expenditure data in this graph differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

Tenure Protection Allowance

Between 1992 and 2000, a Tenure Protection Allowance was available to selected tenants in HNZN or Te Puni Kōkiri housing. Tenure Protection Allowances were available to tenants who would face difficulty as a result of market-related rents if they were required to move to other accommodation. The Tenure Protection Allowance was set at the difference between:

- the actual market rent payable
- the average rent for a household of the same size in the same region.

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

Trends in the number of clients receiving a Tenure Protection Allowance

The number of people receiving a Tenure Protection Allowance decreased from 5,103 to 4,413 between 30 June 1999 and 30 June 2000. This reflects:

- the ineligibility of new state rental housing tenants to apply for the Allowance after 1 October 1992
- the movement from their state rental homes of those who were eligible.

In total, about 90% of those who received a Tenure Protection Allowance did so under the special criteria for persons aged 65 years or over set up at 1 October 1992. These criteria allowed people to receive an Allowance in recognition of the fact that it was inappropriate to require these people to move from their home.

Special Transfer Allowance

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

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

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

Trends in the number of clients receiving a Special Transfer Allowance

Decreases since 2000 in the number of people receiving a Special Transfer Allowance (see [Table 4.5](#)) reflect:

- attrition from the original group of clients who were eligible for a Special Transfer Allowance
- the reintroduction of income-related rents for state rental homes in November 2000.

Following the reintroduction of income-related rents for state rental homes, only those people who rented from a private landlord continued to receive a Special Transfer Allowance.

Since 2000, between 90% and 92% of the clients receiving a Special Transfer Allowance have been receiving New Zealand Superannuation (see [Table 4.5](#)). This reflects:

- the requirement that people receiving a Special Transfer Allowance previously qualified for a Tenure Protection Allowance
- the high proportion (over 90%) of clients receiving a Tenure Protection Allowance who were aged 65 years or over at 1 October 1992.

table 4.5 Trends in the types of core benefit or pension paid to clients receiving a Special Transfer Allowance

Type of core benefit or pension paid at 30 June	Clients receiving Special Transfer Allowance ¹				
	1999/2000 Number	2000/2001 Number	2001/2002 Number	2002/2003 Number	2003/2004 Number
Unemployment-related benefits ²	0	0	0	0	0
Carers' benefits ³	4	1	1	1	1
Sickness-related benefits ⁴	0	0	0	0	0
Invalids' Benefit	18	6	6	5	5
Widows' Benefit	0	0	0	0	0
Unsupported Child's Benefit/ Orphan's Benefit	0	0	0	0	0
Transitional Retirement Benefit	1	0	0	0	0
Emergency Benefit	0	0	0	0	0
New Zealand Superannuation	321	167	139	129	115
Veterans' Pension	9	6	5	4	4
No core benefit or pension	5	2	1	1	0
Total	358	182	152	140	125

Notes

- 1 Numbers of clients recorded in SWIFTT as receiving a Special Transfer Allowance at 30 June.
- 2 Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people or to trainees, and Independent Youth Benefits.
- 3 Includes Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Caring for the Sick and Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.
- 4 Includes Sickness Benefits and Sickness Benefits – Hardship.

Trends in Special Transfer Allowances granted

Decreases since 1999/2000 in the number of Special Transfer Allowances granted each year (see [Table 4.6](#)) reflect attrition from the original group of clients who were eligible for a Special Transfer Allowance.

table
4.6

Trends in the types of core benefit or pension paid to clients granted a Special Transfer Allowance

Type of core benefit or pension paid when Special Transfer Allowance granted	Special Transfer Allowances granted ¹				
	1999/2000 Number	2000/2001 Number	2001/2002 Number	2002/2003 Number	2003/2004 Number
Unemployment-related benefits ²	0	0	0	0	0
Carers' benefits ³	0	3	0	0	0
Sickness-related benefits ⁴	0	0	0	0	0
Invalids' Benefit	4	2	0	0	1
Widows' Benefit	0	0	0	0	0
Unsupported Child's Benefit/ Orphan's Benefit	0	0	0	0	0
Transitional Retirement Benefit	0	0	0	0	0
Emergency Benefit	0	0	0	0	0
New Zealand Superannuation	89	43	3	1	0
Veterans' Pension	1	2	0	0	0
No core benefit or pension	0	1	0	0	0
Total	94	51	3	1	1

Notes

- 1 Numbers of successful applications for Special Transfer Allowances recorded in SWIFTT during years ended 30 June.
- 2 Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to trainees, and Independent Youth Benefits.
- 3 Includes Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Caring for the Sick and Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.
- 4 Includes Sickness Benefits and Sickness Benefits – Hardship.

Trends in expenditure on Tenure Protection Allowances and Special Transfer Allowances

Decreases since 1995/1996 in combined annual expenditure on Tenure Protection Allowances and Special Transfer Allowances (see [Table 4.7](#)) reflect decreases in numbers receiving this assistance. A particularly sharp fall between 1999/2000 and 2001/2002 (see [Table 4.7](#)) largely reflects the reintroduction of income-related rents and the related abolition of the Tenure Protection Allowance programme.

table 4.7 Trends in combined annual expenditure on Tenure Protection Allowances and Special Transfer Allowances

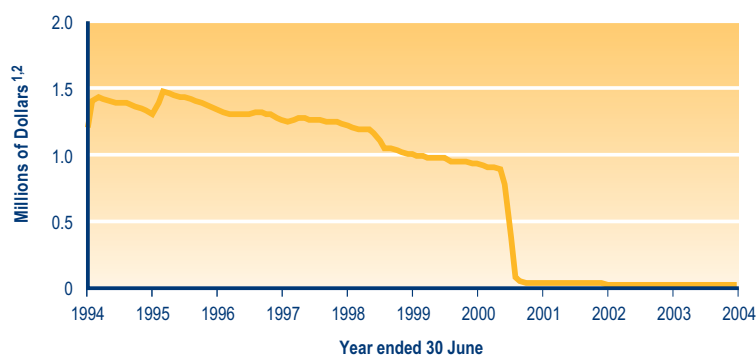
Year ended 30 June	Expenditure on Tenure Protection Allowances and Special Transfer Allowances ^{1,2,3} (\$ million)
1993/1994	3.3
1994/1995	16.4
1995/1996	16.8
1996/1997	15.5
1997/1998	14.9
1998/1999	13.1
1999/2000	11.5
2000/2001	5.0
2001/2002	<0.5
2002/2003	<0.5
2003/2004	<0.5

Notes

- 1 Expenditure on Tenure Protection Allowances and Special Transfer Allowances in years ended 30 June.
- 2 Expenditure shown is adjusted for the number of payments of Special Transfer Allowance or Tenure Protection Allowances that were made during the year, and is smoothed using a two-month moving average. Tenure Protection Allowances and Special Transfer 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.

Combined monthly expenditure on Tenure Protection Allowances and Special Transfer Allowances shows little seasonal variation (see [Figure 4.3](#)).

figure 4.3 Trends in combined monthly expenditure on Tenure Protection Allowances and Special Transfer Allowances



Notes

- 1 Expenditure is adjusted for the number of payments of Tenure Protection Allowances and Special Transfer Allowances during the month and smoothed using a two-month moving average. Tenure Protection Allowances and Special Transfer 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.

Away from Home Allowance

An Away from Home Allowance provides assistance with accommodation costs for the caregivers of dependent 16–17 year olds who move away from home to undertake tertiary study or employment-related training.

For the caregiver to receive an Away from Home Allowance, they must be:

- the principal caregiver for the child
- entitled to receive Family Support for the child.

In addition, the child must be living away from home in order to undertake a course that would qualify them for a Student Allowance or an Unemployment Benefit if they were old enough to receive one.

The amount of Away from Home Allowance payable is calculated based on:

- the same threshold for rental or boarding costs as would be applied to a single 18 year old receiving an Unemployment Benefit
- maximum accommodation costs funded, which are the same as those for an Accommodation Supplement.

All accommodation costs must be verified when applying for an Away from Home Allowance. An Away from Home Allowance is non-taxable and is not asset tested.

Trends in the number of clients receiving an Away from Home Allowance

The number of clients receiving an Away from Home Allowance has decreased since 2001 (see [Table 4.8](#)). Since 2001, the proportion of Away from Home Allowance recipients who were not receiving a core benefit has decreased (from 62% to 51%). Over the same period, the proportion of Away from Home Allowance recipients who were receiving a carers' benefit has increased (from 20% to 32%) (see [Table 4.8](#)).

table 4.8 Trends in the types of core benefit or pension paid to clients receiving an Away from Home Allowance

Types of core benefit or pension paid at 30 June	Clients receiving Away from Home Allowances ¹				
	2000 Number	2001 Number	2002 Number	2003 Number	2004 Number
Unemployment-related benefits ²	9	6	3	3	1
Carers' benefits ³	21	19	24	22	13
Sickness-related benefits ⁴	4	1	3	1	1
Invalids' Benefit	4	5	8	4	2
Widows' Benefit	2	2	2	1	1
Unsupported Child's Benefit/ Orphan's Benefit	0	0	0	0	0
Transitional Retirement Benefit	0	0	0	0	0
Emergency Benefit	0	2	0	0	0
New Zealand Superannuation	1	2	0	0	2
Veterans' Pension	0	0	0	0	0
No core benefits	30	59	54	37	21
Total	71	96	94	68	41

Notes

- 1 Numbers recorded in SWIFT as receiving an Away from Home Allowance at 30 June.
- 2 Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to trainees, and Independent Youth Benefits.
- 3 Includes Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Caring for the Sick and Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.
- 4 Includes Sickness Benefits and Sickness Benefits – Hardship.

Trends in Away from Home Allowances granted

The number of Away from Home Allowances granted each year has decreased since 2000/2001 (see [Table 4.9](#)). Over this period, the proportion of Away from Home Allowances granted each year that were provided to people receiving a carers' benefit has increased (from 25% to 34%), while the proportion provided to clients not receiving any core benefit has decreased (from 52% to 44%) (see [Table 4.9](#)).

table 4.9 Trends in the types of core benefit or pension paid to clients granted an Away from Home Allowance

Types of core benefit or pension paid when Away from Home Allowance granted	Away from Home Allowances granted ¹				
	1999/2000 Number	2000/2001 Number	2001/2002 Number	2002/2003 Number	2003/2004 Number
Unemployment-related benefits ²	35	25	9	13	6
Carers' benefits ³	60	63	65	61	36
Sickness-related benefits ⁴	6	9	6	14	2
Invalids' Benefit	8	14	18	13	8
Widows' Benefit	5	5	5	5	5
Unsupported Child's Benefit/ Orphan's Benefit	1	0	0	0	1
Transitional Retirement Benefit	0	1	1	0	0
Emergency Benefit	0	2	0	0	0
New Zealand Superannuation	5	2	4	0	2
Veterans' Pension	0	0	0	0	0
No core benefits	72	129	126	100	47
Total	192	250	234	206	107

Notes

- 1 Numbers of successful applications for Away from Home Allowances recorded in SWIFTT during years ended 30 June.
- 2 Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to trainees, and Independent Youth Benefits.
- 3 Includes Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Caring for the Sick and Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.
- 4 Includes Sickness Benefits and Sickness Benefits – Hardship.

Childcare Subsidy

The Childcare Subsidy programme assists with the costs of childcare faced by low-income families. A Childcare Subsidy is available for children aged under five years, or for children aged under six years if the caregiver also receives a Child Disability Allowance for their child. A Childcare Subsidy provides assistance with the cost of licensed childcare, family day care projects and chartered Te Kōhanga Reo.

A policy change in July 1993 restricted Childcare Subsidies for those people not in education, training or employment to a maximum of nine hours per week. This restriction applied to new applicants from that date and was extended to existing Childcare Subsidy recipients from early 1994.

Please note also that information in this section indicates the number of children covered by a Childcare Subsidy received and granted. This information may therefore differ from other published information giving the number of clients receiving or granted a Childcare Subsidy for one or more children.

Trends in the number of children covered by a Childcare Subsidy

Decreases since 2000 in the number of children covered by a Childcare Subsidy (see [Table 4.10](#)) reflect improved economic conditions and decreased numbers of clients receiving core benefits as well as decreases in the number of children aged under five years (the eligible age group).

Since 2000, there has been an increase in the proportion of children covered by a Childcare Subsidy whose caregivers are receiving a carers' benefit (from 54% to 62%), and a corresponding decrease in the proportion whose caregivers are not receiving any core benefit or pension (from 35% to 30%) (see [Table 4.10](#)).

table
4.10

Trends in the types of core benefit or pension paid to caregivers of children covered by a Childcare Subsidy

Type of core benefit or pension paid to caregiver at 30 June	Children covered by a Childcare Subsidy ¹				
	2000 Number	2001 Number	2002 Number	2003 Number	2004 Number
Unemployment-related benefits ²	1,924	1,522	1,240	976	698
Carers' benefits ³	15,349	15,210	15,064	15,337	14,988
Sickness-related benefits ⁴	412	357	373	428	438
Invalids' Benefit	493	561	598	578	581
Widows' Benefit	125	114	106	109	101
Transitional Retirement Benefit	9	14	8	1	0
Emergency Benefit	213	196	138	168	153
New Zealand Superannuation	40	30	35	37	34
Veterans' Pension	0	1	1	4	3
No core benefit or pension	10,118	9,869	9,038	7,988	7,241
Total	28,683	27,874	26,601	25,626	24,237

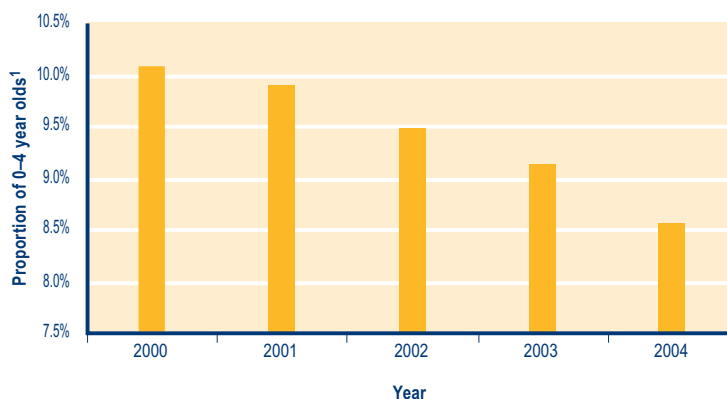
Notes

- 1 Numbers of children recorded in SWIFTT as being covered by a Childcare Subsidy at 30 June.
- 2 Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to trainees, and Independent Youth Benefits.
- 3 Includes Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Caring for the Sick and Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.
- 4 Includes Sickness Benefits and Sickness Benefits – Hardship.

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

Decreases since 2000 in the proportion of children aged under five years who are covered by a Childcare Subsidy (see [Figure 4.4](#)) reflect improved economic conditions combined with decreases in the number of people receiving core benefits.

figure 4.4 Trends in the proportion of children aged under five years covered by a Childcare Subsidy



Note

¹ Proportion shows:

- a number of children aged under five years recorded in SWIFTT as being covered by a Childcare Subsidy at 30 June, divided by
- b Statistics New Zealand final estimate of the resident population aged under five years at 30 June.

See [Table A3.17](#) (Appendix 3) for a summary of the SWIFTT data underlying [Figure 4.4](#).

Trends in Childcare Subsidies granted

The number of Childcare Subsidies granted each year has decreased since 1999/2000 (see [Table 4.11](#)). Please note that the number of Childcare Subsidies granted in 1999/2000 may partly reflect the impact of system changes being made over this period.

Since 1999/2000, there has been an increase in the proportion of Childcare Subsidies granted each year that were provided to people receiving a carers' benefit (from 56% to 64%) (see [Table 4.11](#)).

Of the Childcare Subsidies granted each year since 1999/2000, between 43% and 47% have been provided because carers were in employment, training or education (see [Table 4.12](#)).

Over the same period, there has been a decrease in the proportion of Childcare Subsidies granted each year that covered children whose caregivers:

- were not receiving any core benefit or pension (from 31% to 26%) (see [Table 4.11](#)).
- qualified to receive a Childcare Subsidy because of insufficient income to pay for childcare without assistance (from 53% to 46%) (see [Table 4.12](#)).

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

Types of core benefit or pension paid when Childcare Subsidies granted	Childcare Subsidies granted ¹				
	1999/2000 Number	2000/2001 Number	2001/2002 Number	2002/2003 Number	2003/2004 Number
Unemployment-related benefits ²	4,764	3,554	2,765	2,178	1,693
Carers' benefits ³	29,837	26,187	25,245	24,931	24,665
Sickness-related benefits ⁴	850	640	665	685	704
Invalids' Benefit	829	730	798	798	858
Widows' Benefit	181	170	146	162	136
Unsupported Child's Benefit/ Orphan's Benefit	115	127	154	109	127
Transitional Retirement Benefit	14	21	9	2	0
Emergency Benefit	429	415	317	277	281
New Zealand Superannuation	69	45	47	43	44
Veterans' Pension	0	2	0	5	0
No core benefit or pension	16,591	13,724	12,120	10,789	9,972
Total	53,679	45,615	42,266	39,979	38,480

Notes

- 1 Numbers of successful applications for Childcare Subsidies recorded in SWIFTT during years ended 30 June.
- 2 Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people or to trainees, and Independent Youth Benefits.
- 3 Includes Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Caring for the Sick and Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.
- 4 Includes Sickness Benefits and Sickness Benefits – Hardship.

table 4.12 Trends in reasons for granting Childcare Subsidies

Reason Childcare Subsidies granted	Childcare Subsidies granted ¹				
	1999/2000 Number	2000/2001 Number	2001/2002 Number	2002/2003 Number	2003/2004 Number
Disabled parent	627	623	673	620	665
Parent in employment	12,942	10,879	10,184	9,532	9,172
Child receiving Child Disability Allowance	657	670	720	927	1,120
Sibling receiving Child Disability Allowance	485	529	547	627	687
Sibling in hospital	23	3	7	8	13
Illness or injury	388	346	254	191	208
Parent in training or education	10,067	8,922	8,928	8,693	8,762
Insufficient income	28,490	23,643	20,953	19,381	17,852
Total	53,679	45,615	42,266	39,979	38,480

Note

- 1 Numbers of successful applications for Childcare Subsidies recorded in SWIFTT during years ended 30 June.

OSCAR (Out-of-School Care and Recreation) Subsidy

An OSCAR Subsidy pays for out-of-school care for children aged 5–13 years.

OSCAR Subsidies were introduced in February 1999 and provide assistance with the cost of approved out-of-school care and holiday programmes.

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

Trends in the number of children covered by an OSCAR Subsidy

The number of children covered by an OSCAR Subsidy has fluctuated since 2000 (see [Table 4.13](#)).

Of the children covered by an OSCAR Subsidy since 2000 (see [Table 4.13](#)):

- between 50% and 52% have been cared for by people receiving no core benefit or pension
- between 47% and 49% have been cared for by people receiving a carers' benefit.

table
4.13

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

Type of core benefit or pension paid to caregiver at 30 June	Children covered by an OSCAR Subsidy ¹				
	2000 Number	2001 Number	2002 Number	2003 Number	2004 Number
Unemployment-related benefits ²	8	9	8	8	4
Carers' benefits ³	835	976	878	857	990
Sickness-related benefits ⁴	5	2	0	3	5
Invalids' Benefit	6	10	8	11	6
Widows' Benefit	10	5	5	9	8
Transitional Retirement Benefit	0	0	0	0	0
Emergency Benefit	2	0	1	0	3
New Zealand Superannuation	0	0	2	1	1
Veterans' Pension	0	0	0	0	0
No core benefit or pension	859	997	979	959	1,094
Total	1,725	1,999	1,881	1,848	2,111

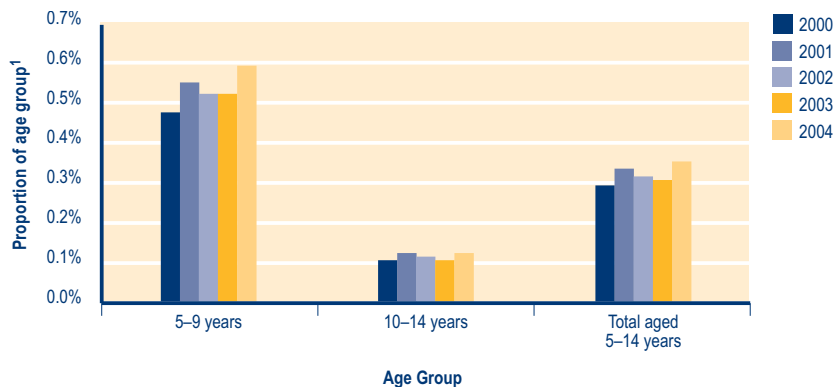
Notes

- 1 Numbers of children recorded in SWIFTT as being covered by an OSCAR Subsidy at 30 June.
- 2 Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to trainees, and Independent Youth Benefits.
- 3 Includes Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Caring for the Sick and Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.
- 4 Includes Sickness Benefits and Sickness Benefits – Hardship.

Trends in the proportion of children aged 5–14 years covered by an OSCAR Subsidy

Since 2000, less than 0.4% of children aged 5–14 years have been covered by an OSCAR Subsidy (see [Figure 4.5](#)). Over the same period, children aged 5–9 years old have been more likely than children aged 10–14 years old to be covered by an OSCAR Subsidy (see [Figure 4.5](#)).

figure 4.5 Trends in the proportion of children aged 5–14 years covered by an OSCAR Subsidy, by age



Note
 1 Proportion shows:
 a number of children in age group recorded in SWIFTT as being covered by an OSCAR Subsidy at 30 June, divided by
 b Statistics New Zealand final estimate of the resident population in age group at 30 June.

See [Table A3.18](#) (Appendix 3) for a summary of the SWIFTT data underlying [Figure 4.5](#).

Trends in OSCAR Subsidies granted

The number of OSCAR Subsidies granted each year has fluctuated since 1999/2000 (see [Table 4.14](#)).

Of the OSCAR Subsidies granted each year since 2000/2001 (see [Table 4.14](#)):

- between 51% and 53% have covered children whose caregivers were receiving a carers’ benefit
- between 44% and 47% have covered children whose caregivers were receiving no core benefit or pension.

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

Types of core benefit or pension paid to caregivers when OSCAR Subsidy granted	OSCAR Subsidies granted ¹				
	1999/2000 Number	2000/2001 Number	2001/2002 Number	2002/2003 Number	2003/2004 Number
Unemployment-related benefits ²	92	100	61	43	60
Carers' benefits ³	4,924	5,314	5,218	4,983	5,115
Sickness-related benefits ⁴	39	38	1	19	25
Invalids' Benefit	35	42	33	80	55
Widows' Benefit	82	83	83	74	48
Unsupported Child's Benefit/ Orphan's Benefit	27	66	61	56	43
Transitional Retirement Benefit	0	0	0	0	0
Emergency Benefit	10	27	15	14	9
New Zealand Superannuation	0	0	2	1	6
Veterans' Pension	0	0	0	0	0
No core benefit or pension	3,720	4,410	4,807	4,396	4,342
Total	8,929	10,080	10,281	9,666	9,703

Notes

- 1 Numbers of successful applications for OSCAR Subsidies recorded in SWIFFT during years ended 30 June.
- 2 Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to trainees, and Independent Youth Benefits.
- 3 Includes Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Caring for the Sick and Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.
- 4 Includes Sickness Benefits and Sickness Benefits – Hardship.

Since 2000/2001, around 74% of the OSCAR Subsidies granted each year have been provided because the child's caregiver was in employment (see [Table 4.15](#)). The increase between 1999/2000 and 2000/2001 in the number of OSCAR Subsidies granted for this reason (see [Table 4.15](#)) partly reflects increased awareness that employed caregivers may be eligible to receive an OSCAR Subsidy.

table 4.15 Trends in reasons for granting OSCAR Subsidies

Reason OSCAR Subsidies granted	OSCAR Subsidies granted ¹				
	1999/2000 Number	2000/2001 Number	2001/2002 Number	2002/2003 Number	2003/2004 Number
Caregiver in employment	6,329	7,564	7,703	7,154	7,174
Caregiver in training or education	2,600	2,516	2,578	2,512	2,529
Total	8,929	10,080	10,281	9,666	9,703

Note

- 1 Numbers of successful applications for OSCAR Subsidies recorded in SWIFFT during years ended 30 June.

Trends in combined expenditure on Childcare Subsidies and OSCAR Subsidies

The decrease between 1993/1994 and 1994/1995 in combined annual expenditure on Childcare Subsidies and OSCAR Subsidies resulted from a policy change effective from 1 July 1993 that limited the Childcare Subsidy to nine hours per week for clients who were not in employment or training.

Increases since 1994/1995 in combined annual expenditure on Childcare Subsidies and OSCAR Subsidies (see [Table 4.16](#)) reflects:

- adjustment of Childcare Subsidy payments from 1 April 1996 based on the Consumers Price Index
- the introduction of the OSCAR Subsidy from 1 February 1999 (this increased the total number of children covered by childcare assistance paid by Work and Income, and hence increased combined expenditure on these subsidies)
- an increase from 1 July 2001 in the maximum number of hours per week for which subsidies may be paid (from 30 to 37 hours per week)
- a further increase from 1 July 2003 in the maximum number of hours per week for which subsidies may be paid (from 37 to 50 hours per week).

table 4.16 Trends in combined annual expenditure on Childcare Subsidies and OSCAR Subsidies

Year ended 30 June	Expenditure on Childcare Subsidy and OSCAR Subsidy ^{1,2,3} (\$ million)
1991/1992	15
1992/1993	38
1993/1994	39
1994/1995	31
1995/1996	34
1996/1997	37
1997/1998	40
1998/1999	49
1999/2000	51
2000/2001	52
2001/2002	56
2002/2003	57
2003/2004	59

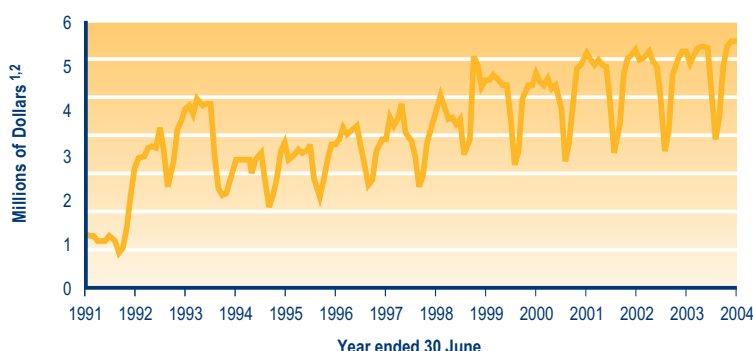
Notes

- 1 Expenditure on Childcare Subsidies and OSCAR Subsidies in years ended 30 June.
- 2 Expenditure shown is adjusted for the number of payments of Childcare Subsidies and OSCAR Subsidies made during the year and smoothed using a two-month moving average. Childcare Subsidies and OSCAR Subsidies are not subject to taxation.
- 3 Expenditure data in this table differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

The strong seasonal pattern in combined monthly expenditure on Childcare Subsidies and OSCAR Subsidies (see [Figure 4.6](#)) reflects higher demand for this assistance during the school/academic year and a decrease in demand over the summer vacation period. As noted above, the underlying increases since 1994/1995 in combined monthly expenditure on Childcare Subsidies and OSCAR Subsidies reflect growth in:

- the number of children covered (eg with the introduction of OSCAR Subsidies in 1999)
- the hourly rate at which these subsidies are paid
- the maximum number of subsidised hours that are available.

figure 4.6 Trends in combined monthly expenditure on Childcare Subsidies and OSCAR Subsidies



Notes

- 1 Expenditure is adjusted for the number of payments of Childcare Subsidies or OSCAR Subsidies made during the month and smoothed using a two-month moving average. The Childcare Subsidy and OSCAR Subsidy are not subject to taxation.
- 2 Expenditure data in this graph differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

Disability Allowance

Please note that information reported below for the Disability Allowance combines information on the Disability Allowance, the Disability Allowance – Telephone Support, and the Disability Assistance Programme. Please note also that information on the Disability Allowance shows the number of people covered by Disability Allowances received or granted. This information may therefore differ from other published information that shows the number of clients receiving or granted a Disability Allowance that covers one or more people.

Eligibility for the Disability Allowance and related programmes

Disability Allowance

A Disability Allowance reimburses people for many types of actual and ongoing regular costs that they incur because they have a disability. In general, a Disability Allowance only covers costs that are not funded, subsidised or otherwise covered by other agencies. An income test also applies.

A Disability Allowance is available to people who have:

- a disability that:
 - means they require ongoing help with normal living tasks or ongoing health care
 - is likely to last at least six months
- extra ongoing costs directly related to their disability.

People receiving ACC support for extra costs related to their disability can receive a Disability Allowance for the proportion of those costs not met by ACC.

Disability Allowances – Telephone Support

A Disability Allowance – Telephone Support (also known as a Telephone Costs payment) provides a telephone subsidy to people who were in receipt of telephone subsidies as at 31 March 1999 but who would lose their entitlement to these subsidies if they were assessed under the Disability Allowance criteria effective from 1 April 1999.

Disability Assistance Programme

The Disability Assistance Programme provided assistance to people who were receiving New Zealand Superannuation or a Veterans' Pension but who failed the income test for Disability Allowances due to the 1 April 2000 increase in the payment rates for New Zealand Superannuation and the Veterans' Pension.

This programme preserved the entitlement of these people to assistance equivalent to a Disability Allowance. The programme ceased on 31 March 2001, due to income thresholds for the Disability Allowance being increased from 1 April 2001.

Trends in the number of people covered by a Disability Allowance

Please note that information in this section refers to the number of people covered by Disability Allowances received. This information may therefore differ from other published information concerning the number of clients receiving a Disability Allowance. This is because clients may be receiving Disability Allowance payments covering more than one person.

Increases since 2000 in the number of people covered by a Disability Allowance (see [Table 4.17](#)) reflect the ongoing nature of the costs faced by people covered by a Disability Allowance.

Of the people covered by a Disability Allowance since 2000 (see [Table 4.17](#)):

- around 47% have been receiving New Zealand Superannuation
- around 23% have been receiving an Invalids' Benefit
- between 10% and 12% have been receiving a carers' benefit.

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

Type of core benefit or pension paid to the client or caregiver at 30 June	People covered by a Disability Allowance ¹				
	2000 Number	2001 Number	2002 Number	2003 Number	2004 Number
Unemployment-related benefits ²	7,812	7,280	6,786	6,403	5,131
Carers' benefits ³	21,185	20,840	20,995	22,286	23,422
Sickness-related benefits ⁴	14,953	15,744	16,936	19,057	21,725
Invalids' Benefit	41,213	45,137	49,023	52,740	55,468
Widows' Benefit	2,251	2,406	2,456	2,632	2,785
Unsupported Child's Benefit/ Orphan's Benefit	206	234	253	284	313
Transitional Retirement Benefit	3,179	3,324	1,917	802	0
Emergency Benefit	1,592	1,838	1,855	2,231	2,648
New Zealand Superannuation	85,454	92,002	98,191	105,096	111,765
Veterans' Pension	2,030	2,319	2,546	2,847	3,248
No core benefit or pension	3,539	4,022	4,215	4,662	4,880
Total	183,414	195,146	205,173	219,040	231,385

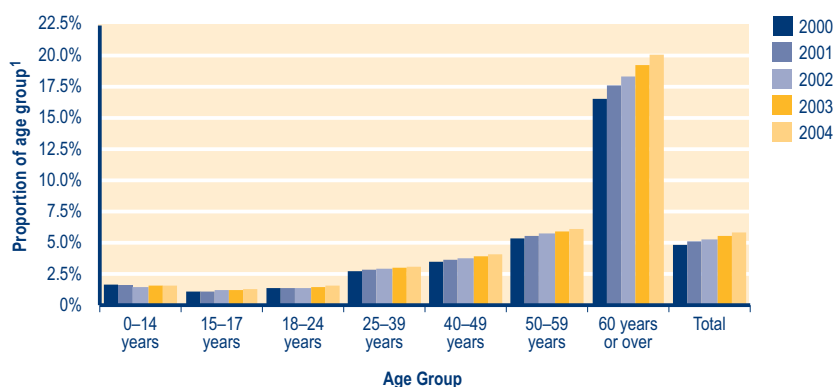
Notes

- ¹ Numbers of clients recorded in SWIFT as being covered by a Disability Allowance at 30 June.
- ² Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people or to trainees, and Independent Youth Benefits.
- ³ Includes Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Caring for the Sick and Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.
- ⁴ Includes Sickness Benefits and Sickness Benefits – Hardship.

Trends in the proportion of the New Zealand population covered by a Disability Allowance

Slight increases since 2000 in the proportion of the New Zealand population covered by a Disability Allowance (see [Figure 4.7](#)) reflect the long-term nature of many of the treatment-related costs faced by clients receiving a Disability Allowance. Since 2000, people aged 60 years or over have been significantly more likely than younger people to be covered by a Disability Allowance (see [Figure 4.7](#)), reflecting the health and medical impacts of the ageing of people aged 60 years or over.

figure 4.7 Trends in the proportion of the New Zealand population covered by a Disability Allowance, by age



Note

- ¹ Proportion shows:
- a number of people in age group recorded in SWIFTT as being covered by a Disability Allowance at 30 June, divided by
 - b Statistics New Zealand final estimate of the resident population in age group at 30 June.

See [Table A3.19](#) (Appendix 3) for a summary of the SWIFTT data underlying [Figure 4.7](#).

Trends in Disability Allowances granted

Increases since 1999/2000 in the number of Disability Allowances granted each year (see [Table 4.18](#)) reflect increases in the number of clients receiving New Zealand Superannuation, a sickness-related benefit or an Invalids' Benefit. Of the Disability Allowances granted each year since 1999/2000 (see [Table 4.18](#)):

- around 27% were provided to clients receiving New Zealand Superannuation
- around 13% were provided to clients receiving a carers' benefit
- around 15% were provided to clients receiving an Invalids' Benefit.

Over the same period, the proportion of Disability Allowances granted each year which were provided to people receiving a sickness-related benefit has increased (from 17% to 23%), while the proportion provided to people receiving unemployment-related benefits has decreased (from 15% to 9%) (see [Table 4.18](#)).

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

Type of core benefit or pension paid when Disability Allowance granted	Disability Allowances granted ¹				
	1999/2000 Number	2000/2001 Number	2001/2002 Number	2002/2003 Number	2003/2004 Number
Unemployment-related benefits ²	9,790	9,210	8,445	8,055	7,684
Carers' benefits ³	9,325	9,237	9,385	10,965	12,029
Sickness-related benefits ⁴	11,544	12,870	13,907	16,458	19,392
Invalids' Benefit	10,433	10,844	11,351	12,046	12,203
Widows' Benefit	690	835	781	997	1,133
Unsupported Child's Benefit/ Orphan's Benefit	97	110	111	125	149
Transitional Retirement Benefit	1,842	1,911	1,564	1,285	496
Emergency Benefit	995	1,195	1,160	1,280	1,569
New Zealand Superannuation	18,537	19,387	20,199	21,909	22,265
Veterans' Pension	483	624	617	729	843
No core benefit or pension	3,683	4,474	4,624	5,312	5,934
Total	67,419	70,697	72,144	79,161	83,697

Notes

- 1 Numbers of successful applications for Disability Allowances recorded in SWIFTT during years ended 30 June.
- 2 Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people or to trainees, and Independent Youth Benefits.
- 3 Includes Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Caring for the Sick and Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.
- 4 Includes Sickness Benefits and Sickness Benefits – Hardship.

Trends in expenditure on Disability Allowances

Increases in annual expenditure on Disability Allowances since 1991/1992 (see [Table 4.19](#)) largely reflect increases in the numbers receiving a Disability Allowance.

table 4.19 Trends in annual expenditure on Disability Allowances

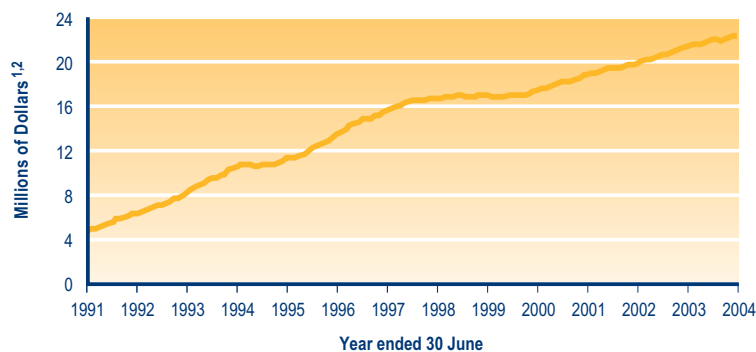
Year ended 30 June	Expenditure on Disability Allowances ^{1,2,3} (\$ million)
1991/1992	66
1992/1993	86
1993/1994	113
1994/1995	128
1995/1996	146
1996/1997	175
1997/1998	195
1998/1999	201
1999/2000	203
2000/2001	217
2001/2002	231
2002/2003	247
2003/2004	261

Notes

- 1 Expenditure on Disability Allowances in years ended 30 June.
- 2 Expenditure shown is adjusted for the number of payments of Disability Allowance made during the year and smoothed using a two-month moving average. Disability Allowances are not subject to taxation.
- 3 Expenditure data in this table differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

Monthly expenditure on Disability Allowances shows no marked seasonal changes (see [Figure 4.8](#)). The slower increase of expenditure on Disability Allowances in 1994/1995 was due to revision (effective from 1 July 1994) of the definition of valid reasons for receiving a Disability Allowance.

figure 4.8 Trends in monthly expenditure on Disability Allowances



Notes

- 1 Expenditure is adjusted for the number of payments of Disability Allowances made during the month and smoothed using a two-month moving average. Disability Allowances are not subject to taxation.
- 2 Expenditure data in this graph differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

Child Disability Allowance

A Child Disability Allowance is a fortnightly payment that can be made to the parent or guardian of a child with a physical or mental disability who requires constant care and attention because of that disability.

To be eligible for a Child Disability Allowance, the caregiver must be:

- a New Zealand citizen or permanent resident of New Zealand
- ordinarily resident in New Zealand.

In addition, the child covered by a Child Disability Allowance must be a dependent child of the carer receiving the Allowance and must also be ordinarily resident in New Zealand.

The Allowance is not means tested.

Since 2000, between 18% and 20% of children covered by a Child Disability Allowance have also been covered by a Disability Allowance. The Disability Allowances are paid to reimburse the direct costs arising from the child's disability.

Trends in the number of children covered by a Child Disability Allowance

Please note that information in this section shows the number of children covered by Child Disability Allowances received. This information may therefore differ from other published information showing the number of clients receiving a Child Disability Allowance that covers one or more children.

Increases since 2000 in the number of children covered by a Child Disability Allowance (see [Table 4.20](#)) reflect the long-term nature of the medical or other conditions faced by children eligible for a Child Disability Allowance. Of the children covered by a Child Disability Allowance since 2000, between 57% and 60% have had caregivers who were not receiving any core benefit or pension (see [Table 4.20](#)).

Since 2000, the proportion of children covered by a Child Disability Allowance who had caregivers receiving a carers' benefit has increased from 27% to 32% (see [Table 4.20](#)).

table 4.20 Trends in the types of core benefit or pension paid to caregivers of children covered by a Child Disability Allowance

Type of core benefit or pension received at 30 June	Children covered by a Child Disability Allowance ¹				
	2000 Number	2001 Number	2002 Number	2003 Number	2004 Number
Unemployment-related benefits ²	1,253	1,056	974	905	712
Carers' benefits ³	5,587	6,098	6,865	8,344	9,940
Sickness-related benefits ⁴	438	398	474	632	769
Invalids' Benefit	721	857	1,059	1,352	1,606
Widows' Benefit	121	118	124	156	161
Unsupported Child's Benefit/ Orphan's Benefit	0	0	0	0	0
Transitional Retirement Benefit	13	21	22	2	0
Emergency Benefit	176	185	149	193	227
New Zealand Superannuation	106	101	99	129	144
Veterans' Pension	2	2	4	5	3
No core benefit or pension	12,447	12,888	13,978	15,624	17,909
Total	20,864	21,724	23,748	27,342	31,471

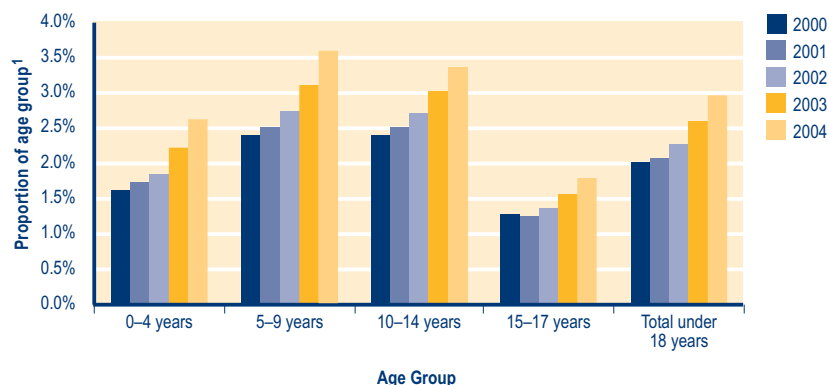
Notes

- 1 Numbers of children recorded in SWIFTT as being covered by a Child Disability Allowance at 30 June.
- 2 Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to trainees, and Independent Youth Benefits.
- 3 Includes Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Caring for the Sick and Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.
- 4 Includes Sickness Benefits and Sickness Benefits – Hardship.

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

Increases since 2000 in the proportion of children aged under 18 years who are covered by a Child Disability Allowance (see [Figure 4.9](#)) reflect the long-term nature of the conditions that children eligible for a Child Disability Allowance have.

figure 4.9 Trends in the proportion of children aged under 18 years covered by a Child Disability Allowance, by age



Note

- 1 Proportion shows:
 - a number of children in age group recorded in SWIFTT as being covered by a Child Disability Allowance at 30 June, divided by
 - b Statistics New Zealand final estimate of the resident population in age group at 30 June.

See [Table A3.20](#) (Appendix 3) for a summary of the SWIFTT data underlying [Figure 4.9](#).

Trends in Child Disability Allowances granted

The number of Child Disability Allowances granted each year has increased since 1999/2000 (see [Table 4.21](#)). Since 1999/2000, the proportion of children covered by Child Disability Allowances granted each year who had caregivers receiving carers' benefits has increased (from 31% to 40%), while the proportion with caregivers who were not receiving any core benefit has decreased (from 50% to 45%) (see [Table 4.21](#)).

table
4.21

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

Type of core benefit or pension received when Child Disability Allowance granted	Child Disability Allowances granted ¹				
	1999/2000 Number	2000/2001 Number	2001/2002 Number	2002/2003 Number	2003/2004 Number
Unemployment-related benefits ²	400	463	389	482	386
Carers' benefits ³	1,465	2,049	2,222	3,011	3,512
Sickness-related benefits ⁴	154	172	219	274	275
Invalids' Benefit	185	234	276	381	435
Widows' Benefit	22	48	26	49	46
Unsupported Child's Benefit/ Orphan's Benefit	60	58	73	89	98
Transitional Retirement Benefit	5	2	8	3	0
Emergency Benefit	56	62	69	72	88
New Zealand Superannuation	23	28	18	41	40
Veterans' Pension	0	0	1	2	2
No core benefit or pension	2,373	3,089	3,040	3,418	3,996
Total	4,743	6,205	6,341	7,822	8,878

Notes

- 1 Numbers of successful applications for Child Disability Allowances recorded in SWIFTT during years ended 30 June.
- 2 Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to trainees, and Independent Youth Benefits.
- 3 Includes Domestic Purposes Benefits – Sole Parent, Domestic Purposes Benefits – Caring for the Sick and Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.
- 4 Includes Sickness Benefits and Sickness Benefits – Hardship.

Trends in expenditure on Child Disability Allowances

Increases since 1991/1992 in annual expenditure on Child Disability Allowances (see [Table 4.22](#)) largely reflect increases in the number of children covered by a Child Disability Allowance.

table 4.22 Trends in annual expenditure on Child Disability Allowances

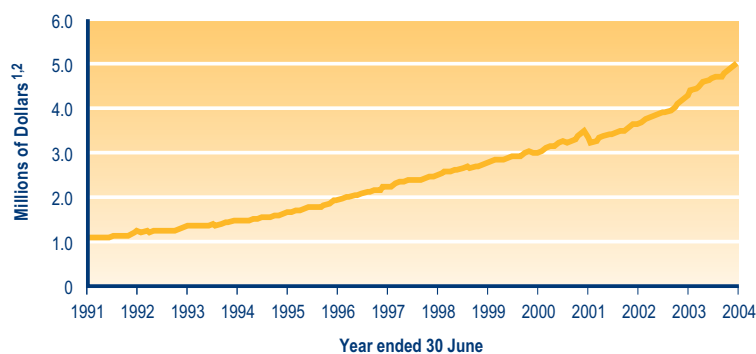
Year ended 30 June	Expenditure on Child Disability Allowances ^{1,2,3} (\$ million)
1991/1992	13
1992/1993	15
1993/1994	17
1994/1995	18
1995/1996	21
1996/1997	25
1997/1998	28
1998/1999	32
1999/2000	35
2000/2001	39
2001/2002	41
2002/2003	47
2003/2004	56

Notes

- 1 Expenditure on Child Disability Allowances in years ended 30 June.
- 2 Expenditure shown is adjusted for the number of payments of Child Disability Allowances made during the year and smoothed using a two-month moving average. Child Disability Allowances are not subject to taxation.
- 3 Expenditure data in this table differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

Little seasonal variation is evident in monthly expenditure on Child Disability Allowances (see [Figure 4.10](#)). A short halt to the increases in monthly expenditure on Child Disability Allowances during late 2000/2001 and early 2001/2002 arose from a review of overdue medical reviews, which led to a temporary fall in the number of Child Disability Allowance recipients.

figure 4.10 Trends in monthly expenditure on Child Disability Allowances



Notes

- 1 Expenditure is adjusted for the number of payments of Child Disability Allowances made during the month and smoothed using a two-month moving average. Child Disability Allowances are not subject to taxation.
- 2 Expenditure data in this graph differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

Training Incentive Allowance

A Training Incentive Allowance aims to assist people undertaking training or studies that will:

- develop their skills
- improve their prospects of gaining sustainable paid employment.

A Training Incentive Allowance is available to people who are receiving a carers' benefit, a Widows' Benefit or an Invalids' Benefit.

A Training Incentive Allowance contributes toward fees, course costs and associated costs (eg transport, childcare) faced by trainees and students. A Training Incentive Allowance may be paid as a lump sum, as an ongoing entitlement, or as a combination of the two.

A number of policy changes were made in the 1998/1999 fiscal year with the intention of targeting expenditure to ensure the greatest benefits for Training Incentive Allowance recipients. These changes included:

- tightening objectives of providing a Training Incentive Allowance, particularly a greater focus on training for paid employment
- introducing co-payment for fees and course costs
- excluding people who had completed a degree in the previous five years
- excluding Training Opportunities programmes and Work and Income courses
- excluding private training establishment courses outside the NZQA accreditation framework.

In the 1999/2000 fiscal year, Training Incentive Allowances were restored to their former level for people undertaking courses subject to the co-payment regime. Other policy changes in 1999/2000 were:

- adjusting the maximum amount of the Training Incentive Allowance on 1 April each year to reflect the change in the cost of living over the previous 12 months
- permitting consideration of granting a Training Incentive Allowance to people who have completed a degree in the previous five years when they intend to undertake employment-related courses that are less than 12 weeks long.

Personal Development and Employment Plans were introduced on 10 March 2003 for people receiving a Domestic Purposes Benefit or Widows' Benefit. Training Incentive Allowances are used to fund education and training consistent with the goals of individual plans.

Please note that information provided in this section on Training Incentive Allowances granted includes ongoing Training Incentive Allowance payments only, while expenditure information includes both ongoing and lump sum payments.

Trends in the number of ongoing Training Incentive Allowances granted

Clients may commence and cease receiving an ongoing Training Incentive Allowance at any point during the year, as their courses begin and end. Ongoing Training Incentive Allowances granted therefore offer a more complete view of use of this assistance than the numbers of people who are receiving an ongoing Training Incentive Allowance at any one point in time.

Fluctuations since 1999/2000 in the number of ongoing Training Incentive Allowances granted each year (see [Table 4.23](#)) reflect the impact of the policy changes outlined above as well as the impact of changes in numbers receiving carers' benefits, Invalids' Benefits and Widows' Benefits. Since 1999/2000, between 87% and 89% of ongoing Training Incentive Allowances granted each year have been provided to clients receiving a carers' benefit (see [Table 4.23](#)).

table 4.23 Trends in the types of core benefit paid to clients granted an ongoing Training Incentive Allowance

Type of core benefit paid when ongoing Training Incentive Allowance granted	Ongoing Training Incentive Allowances granted ¹				
	1999/2000 Number	2000/2001 Number	2001/2000 Number	2002/2003 Number	2003/2004 Number
Carers' benefits ²	18,839	19,078	18,478	18,250	19,926
Invalids' Benefit	2,068	2,238	2,431	2,463	2,631
Widows' Benefit	388	398	362	331	401
Other core benefits	32	12	18	14	5
Total	21,327	21,726	21,289	21,058	22,963

Notes

- Numbers of successful applications for an ongoing Training Incentive Allowance recorded in SWIFTT during years ended 30 June.
- Includes Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Caring for the Sick and Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.

Trends in expenditure on Training Incentive Allowances

Please note that information below on expenditure on Training Incentive Allowances includes expenditure on one-off Training Incentive Allowances (eg those provided to assist with course fees) as well as ongoing Training Incentive Allowances.

Increases since 1998/1999 in annual expenditure on Training Incentive Allowances (see [Table 4.24](#)) reflect in part the impact of the successive policy changes referred to above.

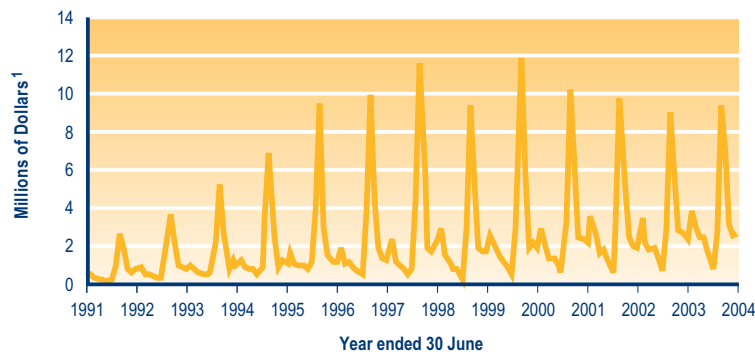
table 4.24 Trends in annual expenditure on Training Incentive Allowances

Year ended 30 June	Expenditure on Training Incentive Allowances ^{1,2} (\$ million)
1991/1992	9
1992/1993	13
1993/1994	17
1994/1995	21
1995/1996	27
1996/1997	29
1997/1998	34
1998/1999	30
1999/2000	35
2000/2001	36
2001/2002	36
2002/2003	37
2003/2004	42

Notes

- Expenditure on Training Incentive Allowances in years ended 30 June.
- Expenditure data shown has not been smoothed. Training Incentive Allowances are not subject to taxation.

The strong seasonal pattern evident in expenditure on Training Incentive Allowances (see [Figure 4.11](#)) arises because most Training Incentive Allowance expenditure arises from one-off payments made at the beginning of the school/academic year to cover tuition fees and similar costs.

figure
4.11**Trends in monthly expenditure on Training Incentive Allowances****Note**

1 Expenditure on Training Incentive Allowances has not been smoothed. Training Incentive Allowances are not subject to taxation.

Residential Care Subsidy and Residential Support Subsidy

These subsidies are used as a means by which clients contribute to the cost of residential care or support when they have been assessed as requiring long-term residential care or support but are unable to pay for the full cost of their care.

MSD's Work and Income service line is responsible for income testing and asset testing clients who require long-term residential care or support, and for assessing whether the client can pay for or contribute towards the cost of their care. Client and benefit contributions to the cost of residential care or residential support are paid to the provider of those services. The Ministry of Health's contribution (if any) to the costs of residential care and residential support required by clients is also paid to service providers.

When a client in residential care is receiving a core benefit or a pension, they may be required to contribute their core benefit or pension (less a personal allowance) toward the cost of their care.

Eligibility to receive a Residential Care Subsidy or Residential Support Subsidy***Residential Care Subsidy***

A Residential Care Subsidy is a contribution to the cost of their residential care made by people who require residential care disability services indefinitely and are:

- aged 65 years or over, or
- aged 50–64 years, single with no dependent children, and assessed by the Ministry of Health as being “close in interest” to people aged over 65 years.

Residential Support Subsidy

A Residential Support Subsidy is a contribution to the cost of their residential support made by people who are:

- aged under 65 years
- assessed as having a need for support due to physical disability, intellectual disability or psychiatric disability (including drug and alcohol rehabilitation).

To be entitled to have a Residential Support Subsidy paid toward the cost of their residential support, the client must have been assessed as needing support provided by a residential care facility that has been contracted by the Ministry of Health.

Trends in the number of clients receiving a Residential Care Subsidy or Residential Support Subsidy

The number of clients receiving a Residential Care Subsidy or Residential Support Subsidy has fluctuated since 2000 (see [Table 4.25](#)). Since 2000, around 63% of clients receiving a Residential Care Subsidy or Residential Support Subsidy have been receiving New Zealand Superannuation and around 32% have been receiving an Invalids' Benefit (see [Table 4.25](#)).

table 4.25 Trends in the types of core benefit or pension paid to clients receiving a Residential Care Subsidy or Residential Support Subsidy

Type of core benefit or pension paid at 30 June	Clients receiving a Residential Care Subsidy or Residential Support Subsidy ¹				
	2000 Number	2001 Number	2002 Number	2003 Number	2004 Number
Unemployment-related benefits ²	15	9	19	12	19
Carers' benefits ³	21	29	24	17	13
Sickness-related benefits ⁴	657	665	640	622	536
Invalids' Benefit	7,286	7,355	7,403	7,513	7,531
Widows' Benefit	17	14	13	13	13
Transitional Retirement Benefit	50	50	20	10	0
Emergency Benefit	94	127	112	139	165
New Zealand Superannuation	14,737	14,739	14,386	14,406	14,361
Veterans' Pension	288	291	276	281	304
No core benefit or pension	35	40	45	50	51
Total	23,200	23,319	22,938	23,063	22,993

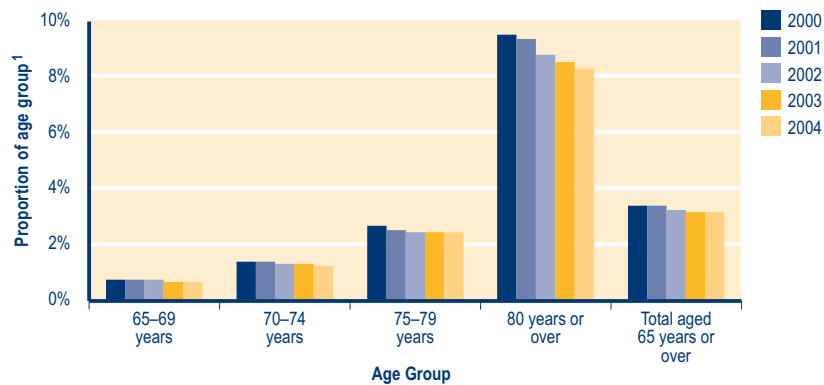
Notes

- 1 Numbers of clients recorded in SWIFTT as receiving a Residential Support Subsidy or Residential Care Subsidy at 30 June.
- 2 Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to trainees, and Independent Youth Benefits.
- 3 Includes Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Caring for the Sick and Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.
- 4 Includes Sickness Benefits and Sickness Benefits – Hardship.

Trends in the proportion of people aged 65 years or over receiving a Residential Care Subsidy

Since 2000, around 3% of people aged 65 years or over have been receiving a Residential Care Subsidy (see [Figure 4.12](#)). Over this period, the proportion of people in each age group receiving a Residential Care Subsidy has increased with the increasing age of the clients (see [Figure 4.12](#)).

figure 4.12 Trends in the proportion of people aged 65 years or over receiving a Residential Care Subsidy, by age



Note

- 1 Proportion shows:
 - a number of clients in age group recorded in SWIFTT as receiving a Residential Care Subsidy at 30 June, divided by
 - b Statistics New Zealand final estimate of the resident population in age group at 30 June.

See [Table A3.21](#) (Appendix 3) for a summary of the SWIFTT data underlying [Figure 4.12](#).

Trends in Residential Care Subsidies and Residential Support Subsidies granted

Since 1999/2000, the number of Residential Care Subsidies and Residential Support Subsidies granted each year has fluctuated around a downward trend (see [Table 4.26](#)).

Of the Residential Care Subsidies and Residential Support Subsidies granted each year since 2000/2001 (see [Table 4.26](#)):

- between 54% and 56% have involved clients receiving New Zealand Superannuation
- between 18% and 20% have involved clients receiving an Invalids' Benefit
- between 20% and 22% have involved clients receiving a sickness-related benefit.

table
4.26

Trends in the types of core benefit or pension paid to clients granted a Residential Care Subsidy or a Residential Support Subsidy

Types of core benefit or pension paid when Residential Care Subsidy or Residential Support Subsidy granted	Residential Care Subsidies and Residential Support Subsidies granted ¹				
	1999/2000 Number	2000/2001 Number	2001/2002 Number	2002/2003 Number	2003/2004 Number
Unemployment-related benefits ²	20	14	43	40	33
Carers' benefits ³	130	136	136	125	81
Sickness-related benefits ⁴	2,069	1,947	1,937	1,878	1,750
Invalids' Benefit	2,304	1,716	1,612	1,820	1,703
Widows' Benefit	9	6	6	5	11
Transitional Retirement Benefit	29	28	11	3	2
Emergency Benefit	82	102	63	79	92
New Zealand Superannuation	5,560	5,010	4,792	5,104	4,922
Veterans' Pension	127	119	124	126	140
No core benefit or pension	14	19	18	21	23
Total	10,344	9,097	8,742	9,201	8,757

Notes

- 1 Number of successful applications for Residential Care Subsidies or Residential Support Subsidies recorded in SWIFTT during years ended 30 June.
- 2 Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people or to trainees, and Independent Youth Benefits.
- 3 Includes Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Caring for the Sick and Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.
- 4 Includes Sickness Benefits and Sickness Benefits – Hardship.

Hardship assistance

This consists of:

- Special Benefit
- hardship assistance paid as lump sums.

Special Benefit

A Special Benefit may be paid to people receiving core benefits or other low-income earners. To receive a Special Benefit, clients must have:

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

Trends in the number of clients receiving a Special Benefit

The number of people receiving a Special Benefit has increased since 2000, with significant increases over each of the last two years (see [Table 4.27](#)). This reflects:

- a range of initiatives aimed at ensuring that case managers and clients are aware of the availability of, and the eligibility criteria for, a Special Benefit (these initiatives include training, information dissemination and enhanced case management for clients receiving a Domestic Purposes Benefit or Widows' Benefit)
- an increase in the number of people assessed as being in financial hardship.

Since 2000, the proportion of Special Benefit recipients who were receiving a carers' benefit has increased (from 36% to 50%) (see [Table 4.27](#)). Over the same period, the proportion of Special Benefit recipients who are receiving unemployment-related benefits has decreased (from 14% to 9%), and the proportion receiving Invalids' Benefits has decreased (from 26% to 18%) (see [Table 4.27](#)).

table 4.27 Trends in the types of core benefit or pension paid to clients receiving a Special Benefit

Type of core benefit or pension paid at 30 June	Clients receiving a Special Benefit ¹				
	2000 Number	2001 Number	2002 Number	2003 Number	2004 Number
Unemployment-related benefits ²	1,539	1,847	1,993	4,046	4,514
Carers' benefits ³	3,893	4,944	6,563	16,632	25,552
Sickness-related benefits ⁴	1,323	1,565	1,992	4,279	6,536
Invalids' Benefit	2,822	3,238	3,993	6,572	9,280
Widows' Benefit	185	189	230	479	741
Unsupported Child's Benefit/ Orphan's Benefit	0	1	0	0	2
Transitional Retirement Benefit	54	47	42	31	0
Emergency Benefit	225	224	197	573	833
New Zealand Superannuation	190	199	259	537	794
Veterans' Pension	1	4	6	3	2
No core benefit or pension	486	789	951	2,228	3,197
Total	10,718	13,047	16,226	35,380	51,451

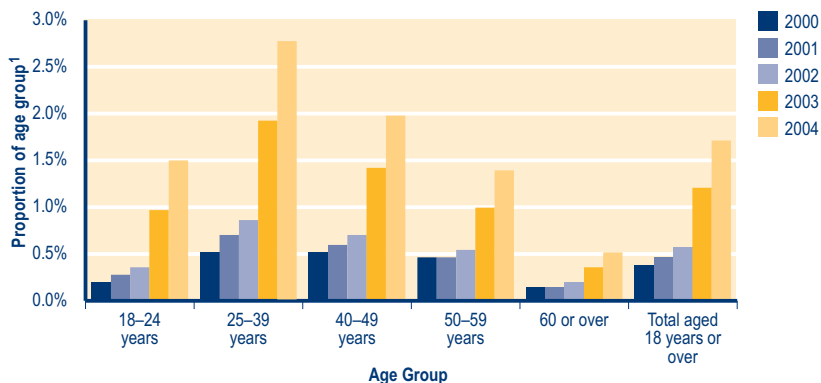
Notes

- 1 Numbers of clients recorded in SWIFTT as receiving a Special Benefit at 30 June.
- 2 Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to trainees, and Independent Youth Benefits.
- 3 Includes Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Caring for the Sick and Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.
- 4 Includes Sickness Benefits and Sickness Benefits – Hardship.

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

A sharp increase over the last two years in the proportion of people aged 18 years or over who are receiving a Special Benefit (see [Figure 4.13](#)) reflects the Work and Income initiatives and increased numbers of people assessed as in financial hardship outlined above. Since 2000, people aged 25–49 years have been more likely to be receiving a Special Benefit than people aged 18–24 years or people aged 50 years or over (see [Figure 4.13](#)).

figure 4.13 Trends in the proportion of people aged 18 years or over receiving a Special Benefit, by age



Note

- 1 Proportion shows:
 - a number of people in each age group recorded in SWIFTT as receiving a Special Benefit at 30 June, divided by
 - b Statistics New Zealand final estimate of the resident population in age group at 30 June.

See **Table A3.22** (Appendix 3) for a summary of the SWIFTT data underlying **Figure 4.13**.

Trends in Special Benefits granted

The number of Special Benefits granted each year has increased since 1999/2000, with a particularly sharp increase occurring over the last two years (see **Table 4.28**). Of the Special Benefits granted in each year since 1999/2000, between 15% and 18% were provided to recipients of sickness-related benefits, while between 10% and 14% were provided to Invalids' Benefit recipients.

Since 1999/2000, the proportion of Special Benefits granted each year that were provided to recipients of carers' benefits has increased (from 31% to 41%), while the proportion granted to people receiving unemployment-related benefits has decreased (from 27% to 19%) (see **Table 4.28**).

table 4.28 Trends in the types of core benefit or pension paid to clients granted a Special Benefit

Type of core benefit or pension paid when Special Benefit granted	Special Benefits granted ¹				
	1999/2000 Number	2000/2001 Number	2001/2002 Number	2002/2003 Number	2003/2004 Number
Unemployment-related benefits ²	3,820	5,547	5,953	10,275	13,721
Carers' benefits ³	4,365	6,834	8,307	21,913	29,521
Sickness-related benefit ⁴	2,492	3,468	4,225	8,113	11,668
Invalids' Benefit	1,927	2,781	3,056	5,811	7,238
Widows' Benefit	158	250	260	626	785
Unsupported Child's Benefit/ Orphan's Benefit	1	4	0	1	6
Transitional Retirement Benefit	52	71	58	66	36
Emergency Benefit	277	413	393	865	1,309
New Zealand Superannuation	162	197	222	609	750
Veterans' Pension	1	7	6	5	4
No core benefit or pension	1,011	1,749	2,282	4,696	7,273
Total	14,266	21,321	24,762	52,980	72,311

Notes

- Numbers of successful applications for Special Benefits recorded in SWIFTT during years ended 30 June.
- Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to trainees, and Independent Youth Benefits.
- Includes Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Caring for the Sick and Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.
- Includes Sickness Benefits and Sickness Benefits – Hardship.

Trends in expenditure on Special Benefits

Increases since 1999/2000 in annual expenditure on Special Benefits (see [Table 4.29](#)) reflect changes in the numbers of people receiving a Special Benefit.

table 4.29 Trends in annual expenditure on Special Benefits

Year ended 30 June	Expenditure on Special Benefits ^{1,2,3} (\$ million)
1991/1992	53
1992/1993	62
1993/1994	67
1994/1995	80
1995/1996	87
1996/1997	74
1997/1998	59
1998/1999	44
1999/2000	34
2000/2001	39
2001/2002	48
2002/2003	79
2003/2004	137

Notes

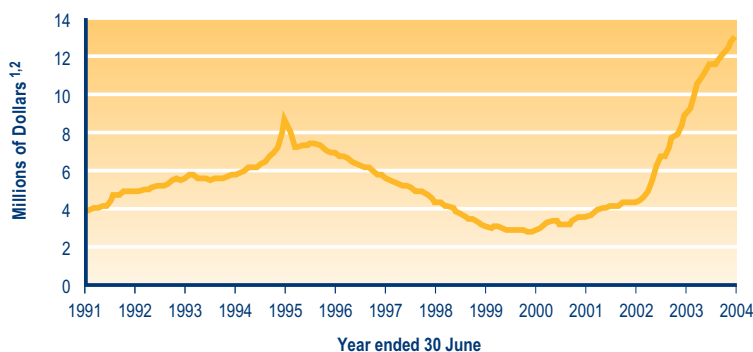
- Expenditure on Special Benefits in years ended 30 June.
- Expenditure shown is adjusted for the number of payments of Special Benefits made during the month and smoothed using a two-month moving average. Special Benefits are not subject to taxation.
- Expenditure data in this table differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

Monthly expenditure on Special Benefits shows little seasonal variation and tends to follow patterns in the numbers of people receiving a Special Benefit (see [Figure 4.14](#)). In addition, the spike in expenditure on Special Benefits around 1995 (see [Figure 4.14](#)) reflects:

- the April 1995 increase in the average rate of Special Benefits
- the July 1995 transfer to Vote: Health of “maximised” Special Benefits, to cover institutional boarding costs.

figure
4.14

Trends in monthly expenditure on Special Benefits



Notes

- 1 Expenditure is adjusted for the number of Special Benefit payments made during the month and smoothed using a two-month moving average. Special Benefits are not subject to taxation.
- 2 Expenditure data in this graph differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

Hardship assistance available as lump sums

The hardship assistance available as lump sums consists of:

- Special Needs Grants
- Recoverable Assistance Programme payments
- benefit advances.

Eligibility for lump sum hardship assistance

Special Needs Grants

Special Needs Grants are one-off payments made to those who have an immediate need or an emergency need and have no other way of paying to meet that need. Most Special Needs Grants are non-recoverable. Recoverable Special Needs Grants have to be repaid to Work and Income.

Special Needs Grants are available both to people who are not receiving core benefits and to people who are. Residency, income and cash asset tests apply.

As well as lump sums to meet a range of specific expenses, Special Needs Grants include re-establishment grants targeted at particular groups of clients. Clients who may be eligible for re-establishment grants include:

- released prisoners
- refugees
- sole parents who have been victims of domestic violence.

Recoverable Assistance Programme payments

The Recoverable Assistance Programme was introduced on 1 July 1996 to provide recoverable assistance to low-income earners not receiving core benefits. Any low-income earner may apply for assistance with immediate and essential expenses under the Recoverable Assistance Programme.

The Recoverable Assistance Programme provides non-taxable, interest-free recoverable financial assistance to non-beneficiaries, to enable them to meet essential immediate needs for

specific items or services. Under this programme, clients may have access to Recoverable Assistance payments up to a maximum value of six weeks' worth of an Invalids' Benefit.

In approving a payment under the Recoverable Assistance Programme, Work and Income staff must:

- consider whether a Recoverable Assistance payment would best meet the immediate need
- investigate other sources of assistance
- investigate the client's ability to repay the Recoverable Assistance payment.

In order to receive Recoverable Assistance payments, clients must:

- meet income and cash asset tests
- be able to identify a particular immediate need for an essential item or service
- meet residency requirements.

Income and asset limits for qualification for a Recoverable Assistance payment, and the maximum amounts available, vary according to the age and circumstances of the applicant (see [Table 4.30](#)). In exceptional circumstances, clients may be granted a Recoverable Assistance payment if their cash assets exceed the limit shown in [Table 4.30](#).

table 4.30 Income limits, cash asset limits and maximum payments for the Recoverable Assistance Programme (applicable from 1 April 2004)

Client category	Cash Asset Limit ¹	Income Limit ^{1,2}	Maximum payment ¹
Single person	\$820.72	\$431 per week/\$22,374 per year	\$1,231.08
Married couple with or without children	\$1,376.92	\$626 per week/\$32,536 per year	\$2,051.88
Sole parent	\$1,376.92	\$551 per week/\$28,634 per year	\$1,736.70

Notes

1 Asset limits, income limits and maximum payments applicable from 1 April 2004.

2 Income limits shown are gross of income tax.

The Recoverable Assistance Programme was designed to replace most recoverable Special Needs Grants, which had previously been available to people who were not receiving benefits.

Benefit advances

Advance payments of core benefits are made to enable people receiving a core benefit to meet one-off immediate and essential needs that the client cannot meet from their regular income. The advance is recovered from subsequent payments of the core 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 core benefit received have been available to everyone receiving a core benefit. At the same date, most recoverable Special Needs Grants provided to people receiving a core benefit were reclassified as benefit advances.

Trends in the use of lump sum hardship assistance

The annual number of payments of lump sum emergency or hardship assistance has increased since 1999/2000 (see [Table 4.31](#)). Increases are evident for both recoverable hardship assistance and non-recoverable hardship assistance.

Of the hardship assistance payments provided each year since 1999/2000 (see [Table 4.31](#)):

- between 51% and 55% have been non-recoverable Special Needs Grants
- between 42% and 44% have been benefit advances, which are recoverable.

Since 1999/2000, the number of payments made under the Recoverable Assistance Programme has increased steadily, more than doubling over this period (see [Table 4.31](#)).

table
4.31

Trends in types of lump sum hardship assistance payments

Type of lump sum hardship assistance	Lump sum hardship assistance payments ¹				
	1999/2000 Number	2000/2001 Number	2001/2002 Number	2002/2003 Number	2003/2004 Number
Non-recoverable lump sum hardship assistance					
Special Needs Grants (non-recoverable)	346,612	369,229	379,890	387,791	395,746
Recoverable lump sum hardship assistance					
Special Needs Grants (recoverable)	14,372	15,105	13,274	14,776	16,615
Recoverable Assistance Programme	7,234	10,193	12,864	13,905	16,797
Benefit advances	268,039	294,996	309,948	325,590	343,263
Total recoverable assistance	289,645	320,294	336,086	354,271	376,675
All lump sum hardship assistance					
Total lump sum hardship assistance	636,257	689,523	715,976	742,062	772,421

Note

¹ Numbers of lump sum hardship assistance payments recorded in SWIFTT in years ended 30 June.

Trends in the use of Special Needs Grants and benefit advances

Since 1999/2000, between 38% and 42% of Special Needs Grants and benefit advances have been paid to people receiving carers' benefits (see [Table 4.32](#)). Over the same period, the proportion of Special Needs Grants and benefit advances paid to people receiving an unemployment-related benefit has decreased (from 31% to 20%) (see [Table 4.32](#)).

table 4.32 Trends in the types of core benefit or pension paid to clients receiving Special Needs Grants and benefit advances

Type of core benefit or pension paid when Special Needs Grant or benefit advance provided	Payments of Special Needs Grants and benefit advances ¹				
	1999/2000 Number	2000/2001 Number	2001/2002 Number	2002/2003 Number	2003/2004 Number
Unemployment-related benefits ²	195,958	207,477	195,025	175,568	150,148
Carers' benefits ³	244,767	260,767	273,601	297,496	317,473
Sickness-related benefits ⁴	55,295	61,179	68,808	74,604	86,756
Invalids' Benefit	60,090	70,288	80,958	91,466	101,025
Widows' Benefit	5,849	6,238	6,236	6,632	7,549
Unsupported Child's Benefit/ Orphan's Benefit	1,455	1,519	1,668	1,918	1,942
Transitional Retirement Benefit	1,895	2,066	1,658	899	243
Emergency Benefit	9,847	11,224	9,863	8,808	10,445
New Zealand Superannuation	13,729	14,686	16,007	18,362	22,206
Veterans' Pension	161	173	205	232	240
No core benefit or pension	39,977	43,713	49,083	52,172	57,597
Total	629,023	679,330	703,112	728,157	755,624

Notes

- 1 Numbers of Special Needs Grants and benefit advances recorded in SWIFTT in years ended 30 June.
- 2 Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to trainees, and Independent Youth Benefits.
- 3 Includes Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Caring for the Sick and Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.
- 4 Includes Sickness Benefits and Sickness Benefits – Hardship.

Increases since 1999/2000 in the total value of Special Needs Grants and benefit advances provided (see [Table 4.33](#)) reflect increases in the total number of payments made. The average value of payments made shows only slight increases over the last three years, after decreasing between 1999/2000 and 2000/2001.

Since 1999/2000, between 42% and 45% of Special Needs Grants and benefit advances by value has been provided to clients receiving carers' benefits. Over the same period, the proportion of Special Needs Grants and benefit advances by value that were provided to people receiving unemployment-related benefits has decreased (from 29% to 18%) (see [Table 4.33](#)).

table 4.33 Trends in the value of Special Needs Grants and benefit advances received by clients paid each type of core benefit or pension

Type of core benefit or pension paid when Special Needs Grant or benefit advance provided	Value of Special Needs Grants and benefit advances ¹				
	1999/2000 Amount (\$000)	2000/2001 Amount (\$000)	2001/2002 Amount (\$000)	2002/2003 Amount (\$000)	2003/2004 Amount (\$000)
Unemployment-related benefits ²	35,069	36,537	34,401	31,318	27,529
Carers' benefits ³	51,517	54,081	56,432	61,502	67,474
Sickness-related benefits ⁴	9,882	10,930	12,415	13,808	16,345
Invalids' Benefit	11,366	13,309	15,539	18,125	20,484
Widows' Benefit	1,184	1,259	1,279	1,390	1,668
Unsupported Child's Benefit/ Orphan's Benefit	223	245	276	317	345
Transitional Retirement Benefit	413	465	376	201	61
Emergency Benefit	2,216	2,480	2,263	2,020	2,337
New Zealand Superannuation	3,506	3,910	4,354	5,014	6,177
Veterans' Pension	41	51	64	71	74
No core benefit or pension	6,763	6,587	7,378	7,966	8,948
Total	122,181	129,856	134,780	141,732	151,441

Notes

- 1 Dollar value of Special Needs Grants and benefit advances recorded in SWIFTT in years ended 30 June.
- 2 Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to trainees, and Independent Youth Benefits.
- 3 Includes Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Caring for the Sick and Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.
- 4 Includes Sickness Benefits and Sickness Benefits – Hardship.

Since 1999/2000, around 40% of Special Needs Grants and benefit advances have been provided to pay for food, while between 34% and 36% have been provided to assist in “other emergency situations” (see [Table 4.34](#)). Since 1999/2000, however, assistance for “other emergency situations” has accounted for around 51% of the total value of Special Needs Grants and benefit advances, while food has accounted for around 19% of this amount.

table 4.34 Trends in the purposes of Special Needs Grants and benefit advances

Purpose of Special Needs Grant or benefit advance	Number of Special Needs Grants and benefit advances ¹				
	1999/2000 Number	2000/2001 Number	2001/2002 Number	2002/2003 Number	2003/2004 Number
Advances	7,402	8,124	8,669	9,403	9,883
Disabled Civilian Amputee ²	152	128	140	118	104
Food	257,538	274,601	287,167	295,243	302,260
Funeral Grants	24	13	31	21	23
Health-related assistance	7,624	8,935	10,070	12,577	14,955
Home help payments ²	9	4	9	8	13
Lump sum payment on death ²	1	0	0	0	0
Medical and associated costs	77,767	83,196	86,721	89,254	94,390
Other emergency situations	213,292	237,371	247,961	259,765	274,081
Payments for goods or services	3,192	2,186	1,503	1,127	904
People affected by benefit stand downs	7,774	6,967	2,921	2,297	2,808
Re-establishment accommodation element	631	649	588	659	612
Re-establishment grants	11,232	11,440	11,350	11,365	11,084
Rural sector (including Civil Defence Emergencies)	1,166	18	31	20	267
Sickness Benefit/Invalids' Benefit assessment travel	254	182	184	205	220
School education costs	31,727	35,480	36,437	38,735	36,835
Special Education Service ³	5,309	5,910	5,102	2,711	16
Terminal benefit arrears ²	0	0	0	0	2,565
Transfer to New Zealand Superannuation	834	513	684	723	626
Urgent house repairs and maintenance	3,095	3,613	3,544	3,926	3,978
Total	629,023	679,330	703,112	728,157	755,624

Notes

- 1 Numbers of Special Needs Grants and benefit advances recorded in SWIFTT in years ended 30 June.
- 2 These items were created as Special Needs Grants but were later transferred to other payment codes. Table 4.36 and Figure 4.15 below do not include expenditure on these items as Special Needs Grants expenditure.
- 3 Transferred to other payment codes from July 2002.

Trends in use of the Recoverable Assistance Programme

Increases since 1999/2000 in the total value of Recoverable Assistance payments made (see [Table 4.35](#)) largely reflect increases in the number of payments made. The average value of payments made has only shown significant increases in the last two years (see [Table 4.35](#)).

table
4.35**Trends in the total and average level of assistance provided under the Recoverable Assistance Programme**

	Level of assistance under Recoverable Assistance Programme				
	1999/2000	2000/2001	2001/2002	2002/2003	2003/2004
Amount (\$000) ¹	2,160	3,081	3,888	4,335	5,375
Number of payments ²	7,234	10,193	12,864	13,905	16,797
Average value of payment (\$)	299	302	302	312	320

Notes

- 1 Total expenditure on Recoverable Assistance payments in years ended 30 June.
- 2 Numbers of Recoverable Assistance payments recorded in SWIFTT in years ended 30 June.

**Trends in expenditure on lump sum hardship assistance
Special Needs Grants**

Please note that the expenditure data below includes expenditure on recoverable Special Needs Grants that were:

- provided to core benefit recipients prior to 9 October 1995
- subsequently reclassified as benefit advances.

Increases since 1997/1998 in expenditure on Special Needs Grants (see [Table 4.36](#)) reflect increases in the numbers of Special Needs Grants arising from:

- increases between 1998/1999 and 1999/2000 in the number of Special Needs Grants provided, including assistance to:
 - students awaiting Student Allowances
 - people who had made provision for possible disruption in the transition to the year 2000
- the declining real value of Family Income Assistance and Accommodation Supplement
- demand for Special Needs Grants for food, which has remained at the levels reached during transition to the year 2000.

table
4.36**Trends in annual expenditure on Special Needs Grants**

Year ended 30 June	Expenditure on Special Needs Grants ^{1,2,3} (\$ million)
1991/1992	16
1992/1993	40
1993/1994	38
1994/1995	44
1995/1996	58
1996/1997	40
1997/1998	39
1998/1999	40
1999/2000	44
2000/2001	46
2001/2002	47
2002/2003	48
2003/2004	50

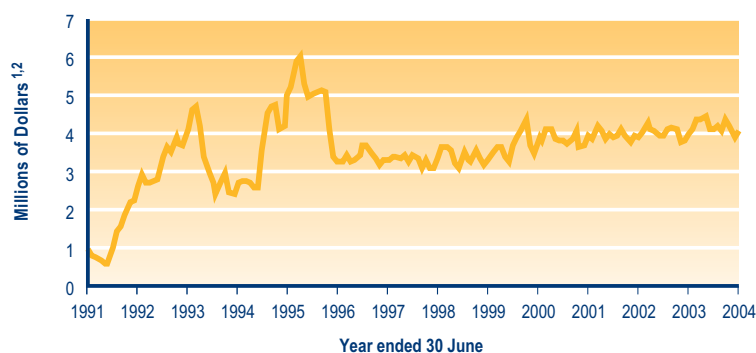
Notes

- 1 Expenditure on recoverable and non-recoverable Special Needs Grants in years ended 30 June. These figures may differ from expenditure on Special Needs Grants shown in other sources that are restricted to non-recoverable Special Needs Grants.
- 2 Expenditure shown is smoothed using a two-month moving average. Special Needs Grants are not subject to taxation.
- 3 Expenditure data in this table differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

Monthly expenditure on Special Needs Grants shows significant variation between months (see [Figure 4.15](#)). This reflects variation in the number of Special Needs Grants made.

figure
4.15

Trends in monthly expenditure on Special Needs Grants



Notes

- 1 Expenditure on Special Needs Grants is smoothed using a two-month moving average. Special Needs Grants 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.

Benefit advances

Increases since 1998/1999 in annual expenditure on benefit advances (see [Table 4.37](#)) reflect:

- patterns in the number of people receiving core benefits or pensions
- the expanded availability of benefit advances from 9 October 1995.

table
4.37

Trends in annual expenditure on benefit advances

Year ended 30 June	Expenditure on benefit advances (\$ million) ^{1,2,3}
1991/1992	21
1992/1993	50
1993/1994	48
1994/1995	48
1995/1996	82
1996/1997	88
1997/1998	81
1998/1999	75
1999/2000	79
2000/2001	87
2001/2002	91
2002/2003	103
2003/2004	106

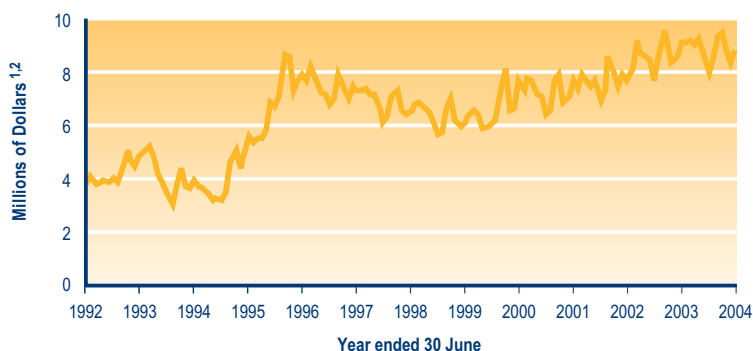
Notes

- 1 Expenditure on benefit advances in years ended 30 June.
- 2 Expenditure has been smoothed using a two-month moving average. Benefit advances are not subject to taxation.
- 3 Expenditure data in this table differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

Significant variation in monthly expenditure on benefit advances (see [Figure 4.16](#)) reflects seasonal variation in the number of benefit advances made.

figure
4.16

Trends in monthly expenditure on benefit advances



Notes

- 1 Expenditure is adjusted for the number of benefit advances made during the month and smoothed using a two-month moving average. Benefit advances 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.

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 receiving a Student Allowance and their first payment of a core benefit. Student Allowance Transfer Grants were introduced on 1 October 2002.

Eligibility for Student Allowance Transfer Grants

To qualify for a Student Allowance Transfer Grant, clients must:

- have a dependent partner or one or more dependent children
- be in hardship (ie have cash assets less than the maximum allowed and no other means of supporting themselves)
- be applying for a core benefit because their Student Allowance will stop for one of the following reasons:
 - the client is no longer a secondary or tertiary student
 - the client is sick, injured or on a break of three weeks or more
 - the client's course of study has ended, or
 - the tertiary provider has lost their accreditation
- apply for a Student Allowance Transfer Grant before the end date for which a Student Allowance is payable, or within five working days after this date.

Income and asset limits for the Student Allowance Transfer Grant (see [Table 4.38](#)) depend on the circumstances of the client.

table 4.38 Asset and income limits for Student Allowance Transfer Grants (applicable from 1 April 2004)

Circumstances of client	Income limit ¹	Asset limit ²
Client and dependent partner with no dependent children	\$270.26	\$1,367.92
Client with a dependent child	None	\$1,078.16
Client with two or more dependent children	None	\$1,157.80
Client and dependent partner with dependent child	None	\$1,367.92

Notes

- 1 Income limits (per week before tax) at 1 April 2004.
- 2 Asset limits at 1 April 2004.

The Student Allowance Transfer Grant is non-recoverable and non-taxable.

Number of Student Allowance Transfer Grants provided

The annual number of Student Allowance Transfer Grants provided decreased between 2002/2003 and 2003/2004 (see [Table 4.39](#)), reflecting decreases in the number of students receiving a Student Allowance. Of the Student Allowance Transfer Grants provided in each of the last two years, around 93% were provided to students who were transferring from a Student Allowance to an unemployment-related benefit (see [Table 4.39](#)).

table 4.39 Trends in the types of core benefit or pension received by clients granted a Student Allowance Transfer Grant

Type of core benefit or pension received when Student Allowance Transfer Allowance granted	Student Allowance Transfer Grants provided ¹	
	2002/2003 Number	2003/2004 Number
Unemployment-related benefits ²	2,518	2,206
Carers' benefits ³	121	87
Sickness-related benefits ⁴	45	33
Invalids' Benefit	0	2
Widows' Benefit	0	0
Unsupported Child's Benefit/ Orphan's Benefit	0	0
Transitional Retirement Benefit	0	0
Emergency Benefit	8	4
New Zealand Superannuation	0	0
Veterans' Pension	0	0
No core benefit or pension	10	8
Total	2,702	2,340

Notes

- 1 Numbers of Student Allowance Transfer Grants provided in years ended 30 June.
- 2 Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to trainees, and Independent Youth Benefits.
- 3 Includes Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Caring for the Sick and Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.
- 4 Includes Sickness Benefits and Sickness Benefits – Hardship.

Expenditure on Student Allowance Transfer Grants

Between 2002/2003 and 2003/2004, total expenditure on Student Allowance Transfer Grants declined, while the average size of each grant increased (see [Table 4.40](#)). This reflects decreases in the number of students receiving a Student Allowance.

table
4.40

Trends in annual expenditure on Student Allowance Transfer Grants

Expenditure on Student Allowance Transfer Grants ¹		
	2002/2003 ² Amount	2003/2004 Amount
Total expenditure (\$m)	\$640	\$573
Average	237	274

Notes

- 1 Expenditure on Student Allowance Transfer Grants recorded in SWIFTT during the year ended 30 June.
- 2 Includes nine months' expenditure on Student Allowance Transfer Grants (from 1 October 2002 to 30 June 2003).

Section 5 Students

Assistance available to students

MSD provides assistance to students through its StudyLink service line. The eligibility of students for this assistance depends on the age and circumstances of the student as well as the nature of the course they are undertaking and of the institution they are enrolled at.

MSD assistance that is available to students comprises:

- Student Allowances
- Student Loans
- core benefit during vacation periods
- supplementary benefits
- job search assistance during vacation periods².

This report entered publication before the end of the 2004 academic year and is therefore restricted to information up to the end of the 2003 academic year.

Student Allowances

The Student Allowances Scheme was introduced in 1989 to provide living support for New Zealand students studying full time toward recognised tertiary qualifications and for adults studying full time at secondary school. The aim of the scheme is to ensure that the need to meet day-to-day living expenses does not act as a barrier to full-time education for students from low and middle socio-economic groups.

Eligibility for Student Allowances

Student Allowances are available to people who are:

- aged 18 years or over, or aged 16–17 if they meet criteria based on their circumstances
- enrolled as a full-time student
- on a recognised programme at an approved institution
- either:
 - a New Zealand citizen, or
 - a permanent resident of New Zealand who has lived in New Zealand for at least two years and has held “permanent residency status” for at least two years.

Income tests are applied to the income of the student and of the student’s spouse (if any). An income test is also applied to the income of the parents of most single students aged under 25 years. Tests of academic achievement (to secure continued access to a Student Allowance) also apply.

Students who are not studying full time may be eligible for a Student Allowance if they:

- have an illness, disability or some other sufficient cause beyond their control that stops them studying full time
- have reduced their course to less than full time on academic advice, or
- are studying more than half of a full-time course and the course is required to complete a recognised programme.

If a student is eligible for a Student Allowance and is living away from home, they are entitled to an Accommodation Benefit payable under the Student Allowances Scheme. This is a contribution towards their accommodation costs, up to a maximum of \$40 per week.

² The majority of tertiary students use Student Job Search to assist in finding employment during long study breaks.

Bursaries (consisting of “A” and “B” Bursaries) are part of the Student Allowances Scheme³. These are paid as tax-free lump sums of \$200 (for an “A” Bursary) or \$100 (for a “B” Bursary) once a year.

Bursaries are payable to students aged under 20 years who have passed the Bursary examinations and who continue to meet tests of academic achievement.

Payment rates for Student Allowances

Student Allowances are available at different rates depending on the circumstances of the student and on their assumed living costs. For students who are living with one or both parents, Student Allowances are paid at a discounted rate to reflect the lower living costs these students are likely to experience compared with students living away from home.

Table 5.1 shows the rates at which Student Allowances were paid between 1 April 2003 and the end of the 2003 academic year.

table 5.1 Payment rates for Student Allowances (applicable during 2003 academic year¹)

Type of Student Allowance	Status	No children	One child	Two or more children
Single 16–24 years	Away from home	\$134.70		
	At home	\$107.76		
Single 25+ years	Away from home	\$161.65		
	At home	\$129.31		
Couple allowance – both students, no children	One eligible	\$161.65		
	Both eligible (each)	\$134.70		
Couple allowance – dependent spouse, no children		\$269.40		
Single student with dependent children			\$231.53	\$252.60
Couples – both students with dependent children	One eligible		\$231.53	\$252.60
	Both eligible (each)		\$143.14	\$143.14
Couples – dependent spouses with dependent children			\$286.28	\$286.28
Students in independent circumstances		\$134.70		
Earning spouse	Away from home	\$86.99		
	At home	\$58.40		

Note

¹ Maximum rates payable from 1 April 2003, net of tax.

Trends in the number of students receiving a Student Allowance

A decrease between 2002 and 2003 in the total number of students receiving a Student

Allowance (see **Table 5.2**) may reflect a number of factors, including the impact of parental income limits not having changed for a number of years and increased personal verification by StudyLink. Of the students receiving a Student Allowance since 1999, between 52% and 54% have been receiving a targeted allowance for living away from home (see **Table 5.2**).

³ With the introduction of NCEA level 3 in 2004, Bursary examinations will no longer be held. Because of this:

- no new bursaries will be awarded after 2003
- no students will be eligible to receive Bursary payments from 2005 except where they are claiming an entitlement relating to an award made during or before 2003.

“A” and “B” Bursaries will be replaced by the new Top Scholar Scheme in 2005.

Since 1999, the proportion of students receiving a Student Allowance who were receiving a targeted allowance for students:

- aged 16–24 years has decreased (from 49% to 42%) (see [Table 5.2](#))
- aged 25 years or over has increased (from 24% to 30%) (see [Table 5.2](#)).

table
5.2

Trends in the types of Student Allowances received

Type of Student Allowance received	Students receiving Student Allowances ¹				
	1999 Number	2000 Number	2001 Number	2002 Number	2003 Number
Single 16–24 years – targeted away from home	19,971	20,722	20,314	18,910	16,347
Single 16–24 years – targeted at home	11,261	12,124	12,458	11,847	10,408
Single 25+ years – targeted away from home	13,705	15,884	17,200	17,461	16,822
Single 25+ years – targeted at home	1,984	2,106	2,260	2,272	2,129
Couple allowance – both students, no children	969	917	800	820	878
Couple allowance – dependent spouse, no children	1,383	1,438	1,659	1,708	1,726
Single student with dependent children	1,199	1,539	1,771	1,843	1,846
Couples – both students with dependent children	812	830	796	735	749
Couples – dependent spouses with dependent children	4,802	5,031	4,961	4,677	4,174
Students in independent circumstances	5,410	5,970	6,468	7,087	7,686
Earning spouse – at home	1,238	1,327	1,398	1,372	1,154
Earning spouse – away from home	154	196	146	136	117
Unknown ²	1404	0	0	0	0
Total	64,292	68,084	70,231	68,869	64,036

Notes

¹ Numbers of students recorded as receiving Student Allowances during years ended 31 December.

² The type of Student Allowance could not be determined for these students as a result of database development problems.

Trends in the number of students receiving Bursaries

Decreases since 2000 in the number of students enrolled at eligible institutions who are receiving Bursaries (see [Table 5.3](#) below) reflect changing patterns in applications for Bursaries. Since 1999, around 57% of students receiving Bursaries have been receiving an “A” award (see [Table 5.3](#)).

table 5.3 Trends in the types of Bursaries received by students enrolled in eligible institutions

Type of Bursary received	Students receiving Bursaries ¹				
	1999 Number	2000 Number	2001 Number	2002 Number	2003 Number
"A" Bursary	7,599	8,403	8,341	8,089	7999
"B" Bursary	5,531	6,374	6,266	6,116	6,062
Total	13,130	14,773	14,603	14,199	14,060

Note

¹ Numbers of students at eligible institutions recorded as receiving Bursaries during years ended 31 December.

Trends in expenditure on Student Allowances

A decrease between 2002 and 2003 in expenditure on Student Allowances (see [Table 5.4](#)) reflects a decrease in the number of students receiving Student Allowances.

table 5.4 Trends in annual expenditure on Student Allowances

	Expenditure on Students Allowances ¹				
	1999	2000	2001	2002	2003
Total expenditure (\$m)	347	397	367	367	351

Note

¹ Expenditure on Student Allowances (excluding Accommodation Benefit) during years ended 31 December.

Student Loans

The Student Loan Scheme was introduced in 1992 to assist students studying at tertiary level. The purpose of the Scheme is to ensure that the costs of study are not a barrier to students undertaking tertiary study.

Eligibility for Student Loans

Student Loans are available to people who are:

- New Zealand citizens, permanent residents or refugees
- enrolled on a tertiary course approved by the Ministry of Education that is:
 - full time or limited full time
 - part time and 32 weeks or longer, or
 - part time and less than 32 weeks, so long as the course meets a minimum course workload value.

To receive Student Loan living costs, students must be enrolled in a full-time or limited full-time course. Students enrolled on courses that are part time and 32 weeks or longer may receive a loan for fees and course-related costs only. Students enrolled on courses that are part time and less than 32 weeks can only receive a Student Loan for fees. If a student or their partner receives a Student Allowance of \$150.00 a week or more after tax, they may only receive a Student Loan for compulsory fees and course-related costs.

People who are currently bankrupt or who are on a course already paid for by the Government (such as Training Opportunities) are not eligible to receive a Student Loan.

From 1 January 2002, prisoners have been eligible to access Student Loans for compulsory fees and course-related costs, subject to the agreement of the prison authority. Prisoners are not able to receive living costs unless they are on home detention.

Accessibility of funds through Student Loans

Limits have been established that prescribe maximum drawings that students may make from their Student Loan (see [Table 5.5](#)).

table 5.5 Maximum amount available by component of Student Loan (applicable over the 2003 academic year)

Component of Student Loan	Maximum amounts available
Course fees (annual) ¹	Total fee cost, to a maximum of \$6,500 for Private Training Establishments
Course-related expenses (annual) ²	\$1,000.00
Living costs (weekly) ³	\$150.00

Notes

- 1 Payment of fees is reduced by any Training Incentive Allowance (available to some core benefit recipients) that is provided to pay fees.
- 2 Payment of course-related expenses is reduced by some of the Training Incentive Allowance (available to some core benefit recipients) that is provided to pay course-related expenses.
- 3 Payment of living costs is restricted to periods when the student is studying full time and is reduced by any Student Allowance payments received.

Trends in the number of students making drawings against Student Loans

This section shows information about students making drawings against Student Loans during the calendar years (ended 31 December) indicated. It excludes information about drawings made against Student Loans in earlier calendar years, and therefore does not show the total levels of debt that students have accumulated through the Student Loan Scheme.

Increases since 2000 in the number of students making drawings against Student Loans (see [Table 5.6](#)) reflect increased uptake of Student Loans. Over the last three years, between 44% and 47% drew a total of less than \$5,000 over the calendar year. Over the same period, between 36% and 40% drew between \$5,000 and \$10,000 (see [Table 5.6](#)).

table 5.6 Trends in the annual amount per student drawn against Student Loans

Amount drawn against Student Loan	Students making drawings against Student Loans ¹			
	2000 Number	2001 Number	2002 Number	2003 Number
Under \$5,000	58,503	65,696	68,555	72,921
\$5,000 – <10,000	50,628	58,079	55,829	56,356
\$10,000 – <15,000	17,679	22,335	23,656	25,261
\$15,000 – <20,000	889	1,472	1,584	1,478
\$20,000 – <30,000	318	347	431	398
\$30,000 – <40,000	73	68	118	145
\$40,000 – <50,000	1	19	85	113
\$50,000 or over	16	80	218	410
Total	128,107	148,096	150,476	156,210

Note

- 1 Numbers of students recorded as making drawings against Student Loans during years ended 31 December.

Of the students making drawings against Student Loans in each year since 2000 (see [Table 5.8](#)):

- between 46% and 49% have been attending a university
- between 27% and 30% have been attending a polytechnic.

Since 2000, the proportion of students making drawings against Student Loans each year who were not receiving a Student Allowance has increased (from 59% to 67%) (see [Table 5.7](#)). Over the same period, the proportion of students making drawings against Student Loans each year who were receiving a Student Allowance for living away from home has decreased (from 23% to 18%) (see [Table 5.7](#)).

table
5.7

Trends in the types of Student Allowances received by students making drawings against Student Loans

Type of Student Allowance received when drawing made against Student Loan	Students making drawings against Student Loans ¹			
	2000 Number	2001 Number	2002 Number	2003 Number
Single 16–24 years – targeted away from home	16,377	16,960	15,936	13,854
Single 16–24 years – targeted at home	7,817	8,508	8,168	7,358
Single 25+ years – targeted away from home	12,823	14,215	14,017	13,540
Single 25+ years – targeted at home	1,493	1,694	1,688	1,554
Couple allowance – both students, no children	724	665	689	758
Couple allowance – dependent spouse, no children	1,103	1,268	1,293	1,317
Single student with dependent children	1,320	1,569	1,588	1,589
Couples – both students with dependent children	689	684	649	639
Couples – dependent spouses with dependent children	3,900	3,916	3,628	3,255
Students in independent circumstances	4,787	5,444	6,003	6,642
Earning spouse – at home	1,094	1,184	1,147	933
Earning spouse – away from home	154	121	109	99
Not receiving any Student Allowance	75,826	91,868	95,560	104,672
Total	128,107	148,096	150,476	156,210

Note

¹ Numbers of students recorded as making drawings against Student Loans during years ended 31 December.

table 5.8 Trends in the 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 ¹			
	2000 Number	2001 Number	2002 Number	2003 Number
College of Education	4,963	5,150	5,338	5,449
Polytechnic	37,806	40,270	41,447	41,460
Private Training Establishment	17,367	28,120	25,336	27,325
University	63,329	67,756	70,902	73,320
Wānanga	2,064	2,782	3,608	4,496
Polytechnic and university ²	997	1,262	1,224	1,333
Polytechnic and other institution(s) ²	479	1,140	1,149	1,283
University and other institution(s) ²	1,006	1,343	1,236	1,252
Polytechnic, university and other institution(s) ²	13	71	63	50
Miscellaneous combination ²	49	188	158	238
Unknown	34	14	15	4
Total	128,107	148,096	150,476	156,210

Notes

- Numbers of students recorded as making drawings against Student Loans during years ended 31 December.
- Students may enrol to study at more than one institution at the same time. In these cases, Table 5.8 shows all types of institutions where students are enrolled at the time of making a drawing against a Student Loan.

Trends in the purpose of drawings against Student Loans

The numbers of students making drawings against each component of their Student Loan do not add to the total number of students making one or more drawings shown in **Tables 5.6–5.8** above. This is because a student may make drawings against more than one Student Loan component (eg course fees and living costs) during the same academic year.

The number of students making drawings against each Student Loan component has increased since 2000 (see **Table 5.9**). This reflects increases in the total number of students making drawings against Student Loans.

table 5.9 Trends in the number of drawings made against Student Loan components

Student Loan component	Number of students making drawings against Student Loan components ¹			
	2000 Number	2001 Number	2002 Number	2003 Number
Course fees	122,833	138,334	139,323	144,678
Courses costs	72,591	94,319	96,563	101,644
Living expenses	70,982	77,405	77,699	79,373

Note

- Numbers of students making drawings against Student Loan components during years ended 31 December.

Section 6 Additional information

Community Services Cards

Introduction

A Community Services Card is an entitlement card that people on low to middle incomes or receiving income support may use to obtain higher subsidies on doctor's fees and prescriptions.

From 1 February 1994, families not claiming Family Support from Inland Revenue were able to apply for a Community Services Card. (Families not receiving Family Support are indicated as "Families" in the following tables, while Family Support recipients are indicated separately.) The income limits for families with dependent children increased on 1 July 1998, and new income limits for families with more than six children were introduced.

People receiving income-tested income support, Veterans' Pensions and the Residential Care Subsidy automatically receive a Community Services Card (and subsequent replacement cards), so they do not have to complete application forms. People receiving New Zealand Superannuation must apply for their first Community Services Card. However, card renewal for more than 80% of people receiving New Zealand Superannuation has been automated since 1 January 1996.

From 1 February 1999, the Community Services Card regulations were amended to allow families with children receiving a Child Disability Allowance to include that child in their application for a Community Services Card.

The income limits for holders of a Community Services Card were increased on 1 April 2000 to match the increase from this date in the rate of New Zealand Superannuation.

A fault was identified in August 1999 with the information transfer between Inland Revenue and the Department of Work and Income that was supposed to identify people eligible for the Community Services Card through their entitlement to Family Support. As a result, there was an increase in the number of applications received under the "Families" category while the fault was being fixed.

From 1 October 1999, processing of claims for partial reimbursement of health charges under the Community Services Card scheme was centralised to the national Community Services Card Centre. Between 1992 and 30 September 1999, claims were processed at Work and Income service centres.

The Ministry of Health commenced the implementation of Primary Health Organisations (PHOs) from 1 July 2002. The establishment of PHOs since 2002 has had an effect on the number of cards issued. People who are enrolled with a PHO rarely need their Community Services Card to access primary care services (GP visits and prescriptions), although the card is still necessary for subsidies for other health services. As PHOs spread across New Zealand, the need for the Community Services Card in order to access health services will reduce, and it is anticipated that by July 2007 the Community Services Card will be phased out. During the transition period, the Ministry of Health has charged MSD with ensuring that all people who are eligible for the Community Services Card are encouraged to apply for and retain their cards.

From June 2003, Community Services Cards have been automatically issued to most students who receive a Student Allowance and who do not have a working spouse. As this process affects an increasing number of students, the numbers of students with a Community Services Card will gradually increase.

Trends in the number of Community Services Cards on issue

Decreases since 2001 in the number of Community Services Cards on issue (see [Table 6.1](#)) largely reflect a decrease in the number of people receiving means-tested benefits.

Of the Community Services Cards on issue since 2000, around 28% have been held by people receiving New Zealand Superannuation (see [Table 6.1](#)). Since 2000, the proportion of Community Services Cards on issue that were held by people receiving a means-tested benefit has decreased (from 46% to 41%).

table
6.1

Trends in the groups of clients holding Community Services Cards

Group cards are issued to	Community Services Cards on issue ¹				
	2000 Number	2001 Number	2002 Number	2003 Number	2004 Number
Low-income earners ²	105,822	108,011	108,430	104,894	83,791
Family Support recipients ³	116,800	132,822	145,047	141,717	132,951
War Pension recipients	5,467	5,669	5,395	5,355	5,389
Students ²	–	–	–	14,736	41,390
Means-tested benefit recipients ^{4,5}	515,799	500,424	482,031	463,823	435,009
New Zealand Superannuation recipients ⁶	317,835	329,585	311,211	311,018	310,133
Residential Care Subsidy recipients	19,775	22,730	19,747	19,743	19,640
Families	39,874	29,359	26,612	27,674	24,958
Total	1,121,372	1,128,600	1,098,473	1,088,960	1,053,261

– = not applicable

Notes

1 Number of Community Services Cards on issue at 30 June.

2 Between 1 July 1998 and June 2003, “low-income” included students receiving a Tertiary Living Allowance or Student Allowance who were granted a Community Services Card as low-income earners.

3 “Family Support” includes both Group 1 and Group 2 Family Support recipients, who have both been subsidised at Group 1 Family Support levels since 1 July 1993.

4 “Means-tested benefits” includes students receiving an Unemployment Benefit – Hardship – Student or an Emergency Benefit.

5 The number of people in receipt of a current means-tested benefit as at 30 June does not correspond with the numbers of these people issued with a Community Services Card shown above. This is because the above numbers include:

- spouses of people receiving means-tested benefits
- people who ceased receiving means-tested benefits less than 12 months previously (cards covering the 12 months after a person ceases receiving means-tested benefits are issued automatically).

6 The number of people receiving New Zealand Superannuation does not correspond with the number of New Zealand Superannuation recipients issued with a Community Services Card shown above. This is because income tests for a Community Services Card exclude some people who receive New Zealand Superannuation from receiving a Community Services Card.

Trends in the number of Community Services Cards issued and renewed

Decreases since 2001/2002 in the number of new Community Services Cards issued each year (see [Table 6.2](#)) reflect fluctuations in the numbers of people being granted core benefits or pensions. Higher average weekly wages also mean that families previously entitled to cards are now earning more than the allowable income threshold and no longer qualify.

Of the new Community Services Cards issued each year since 2000/2001 (see [Table 6.2](#)):

- between 43% and 45% have been issued to low-income earners and students
- between 32% and 36% have been issued to clients receiving Family Support.

Since 1999/2000, the proportion of the Community Services Cards reissued each year that were provided to low-income earners and students has increased from 70% to 77% (see [Table 6.2](#)).

table 6.2 Trends in issues of new Community Services Cards and in renewals of Community Services Cards

Types of new and renewed Community Services Cards	Community Services Cards issued and renewed ¹				
	1999/2000 Number	2000/2001 Number	2001/2002 Number	2002/2003 Number	2003/2004 Number
New cards					
Low-income earners and students	61,869	60,119	63,919	61,762	50,955
Family Support recipients ²	42,273	50,069	48,664	45,093	39,682
New Zealand Superannuation recipients	12,016	12,235	11,781	13,328	12,755
Families	24,689	18,526	17,498	19,094	16,430
Total	140,847	140,949	141,862	139,277	119,822
Renewed cards					
Low-income earners and students	60,311	59,326	58,076	57,053	48,598
Family Support recipients ²	–	–	–	–	–
New Zealand Superannuation recipients	14,736	11,351	12,089	9,921	7,316
Families	11,666	11,176	8,640	8,452	7,404
Total	86,713	81,853	78,805	75,029	63,318
Total (includes issue of renewed cards)	227,560	222,802	220,667	214,685	183,140

– = not applicable

Notes

- 1 Numbers of new Community Services Cards issued and Community Services Cards renewed in years ended 30 June.
- 2 All cards issued to Family Support recipients (both new cards and renewals) are coded as new cards. Separate counts of renewals of cards held by Family Support recipients are not available.

Trends in expenditure on Community Services Cards

Claims for partial reimbursement of health charges by cardholders are processed and paid by MSD on behalf of the Ministry of Health. The Ministry of Health then reimburses MSD for the payments made in respect of these claims.

Fluctuations since 2000/2001 in expenditure on claims for partial reimbursement of health charges under the Community Services Card Scheme (see [Table 6.3](#)) partly reflect increased awareness among clients of the reimbursement process. However, it is also tied to seasonal variations – observations are that a mild winter tends to mean fewer claims are made than otherwise. In addition, clusters of claims from or on behalf of high users can affect trends across years.

table 6.3 Trends in annual expenditure on Community Services Cards

	Expenditure on Community Services Cards ^{1,2}				
	1999/2000 Amount (\$000)	2000/2001 Amount (\$000)	2001/2002 Amount (\$000)	2002/2003 Amount (\$000)	2003/2004 Amount (\$000)
Total	301	330	318	326	318

Notes

- 1 MSD expenditure on partial claims against Community Services Cards in years ended 30 June.
- 2 MSD expenditure on Community Services Card subsidies is reimbursed by the Ministry of Health.

Benefit Control

Background

The Benefit Control Unit covers activities to protect the integrity of the benefit system offered by MSD. Activities include:

- preventing fraud and abuse
- conducting early intervention interviews
- identifying discrepancies through data matching
- investigating suspected irregularities
- deterring abuse of the benefit system
- sanctioning persons involved in abuse of the benefit system.

Data matching is currently undertaken with Inland Revenue, the Department of Corrections and the New Zealand Customs Service. The purpose of these matches is to detect clients who are or have been in receipt of benefits or financial assistance to which they may not be entitled. There are plans to extend the range of agencies with whom MSD matches data. The first new match to be implemented will be the Deaths Match with the Department of Internal Affairs. This match will commence in September 2004.

Trends in cases investigated and overpayments identified

Data matching was involved in between 51% and 57% of Benefit Control cases over the period between 1999/2000 and 2000/2001, but in less than 50% of cases over the last three years (see [Table 6.4](#)). This reflects a greater emphasis on the prevention and early intervention of fraud and abuse by the Area Benefit Control teams.

table 6.4 Trends in benefit control statistics by source of information

Financial year ¹	Number of cases investigated	Overpayments identified Amount (\$)
Area Benefit Control teams		
1999/2000	45,181	76,348,609
2000/2001	41,258	56,288,559
2001/2002 ²	47,835	47,506,880
2002/2003	49,813	42,723,950
2003/2004	53,631	50,048,006
Data Match		
1999/2000	47,794	27,872,645
2000/2001	52,910	33,723,772
2001/2002 ²	47,169	33,945,242
2002/2003	41,122	31,275,937
2003/2004 ³	47,079	28,683,298

Notes

- ¹ Financial years ended 30 June.
- ² The 2001/2002 year includes three months as part of the Department of Work and Income and nine months as part of MSD.
- ³ The 2003/2004 year includes overpayments of \$367,353 from the Client Review Process Initiatives that are aligned to Early Intervention.

From 1999/2000 to 2002/2003, the dollar returned from Benefit Control activities has remained significantly above the target dollar returned set in MSD's Purchase Agreement (see [Table 6.5](#)). In 2003/2004, the dollar return reduced because of the expenditure involved in the Benefit Review Project, but was still comparable with the target dollar return set for that year.

table 6.5 Trends in cases investigated and dollar returns

Financial year ¹	Total number of cases investigated	Actual dollar returned ²	Target dollar returned ²
1999/2000	92,975	\$4.34	\$3.25
2000/2001	94,168	\$3.89	\$3.25
2001/2002 ³	95,004	\$3.32	\$2.50
2002/2003	90,935	\$3.41	\$2.50
2003/2004 ⁴	100,710	\$2.51	\$2.50

Notes

- 1 Financial years ended 30 June.
- 2 Target and actual dollar returned includes overheads and is GST exclusive. Target dollar returned is set in MSD's Purchase Agreement with the Minister of Social Services and Employment. From 2002/2003, the target dollar returned in MSD's Purchase Agreement has been extended to include the return on prospective savings as well as overpayments. For consistency with earlier years, the target and actual dollar returned indicated here excludes the return on prospective savings.
- 3 The 2001/2002 year includes three months as part of the Department of Work and Income and nine months as part of MSD.
- 4 The 2003/2004 year includes overpayments from the Client Review Process Initiatives that are aligned to Early Intervention.

Debt Management

Background

MSD's debt management functions are an integral part of its operations, providing services, advice and debt recovery processes.

Debt is managed in two portfolio groups:

- current benefit debt
- non-current debt.

Work and Income is responsible for current benefit debt, where clients with benefit debts are currently in receipt of a benefit.

Debt Management is responsible for managing non-current debt. This includes benefit debts (owed by clients who are no longer in receipt of a benefit), Student Allowance debts, fraudulent Student Loan, work debt, and debts from programmes such as Liable Parent Contribution and Maintenance. Four Regional Debt Management Units (located in Christchurch, Lower Hutt, Hamilton and Auckland) are responsible for the operational management of non-current debt.

New debts are established as a result of:

- data matching
- fraud or abuse
- innocent overpayments
- benefit advances, recoverable grants and loans.

Trends in debt values

Debt values trended upwards between 1999/2000 and 2001/2002, but have declined in the last two years (see [Table 6.6](#)). Two factors have contributed to the reduced value of debt. These are:

- the high levels of debt write-off
- the transfer of Residential Care Loan balances to the Ministry of Health⁴.

The value of debt repaid or adjusted on review has reduced in 2003/2004; this is due to significantly reduced write-offs compared to 2002/2003.

⁴ In June 2002, MSD gained Ministerial approval to write off existing aged debt where all avenues of recovery have been proven to be exhausted. The majority of these debts were written off in 2002/2003. In April 2003, Residential Care Loan balances transferred to the Ministry of Health.

table 6.6 Trends in debt established, debt repaid and outstanding debt

Financial year ¹	New debt established (\$m)	Debt repaid or adjusted on review (\$m)	Outstanding debt at 30 June (\$m)
1999/2000	329.7	299.2	800.4
2000/2001	312.6	300.4	813.8
2001/2002	318.4	233.1 ²	899.1 ²
2002/2003	311.8	444.8 ³	766.2 ³
2003/2004	303.6	312.7	757.1

Notes

- Financial years ended 30 June.
- Both debt adjusted on review and outstanding debt have been impacted by a reporting correction in June 2002. The total value of current benefit debt was previously understated by \$72m. The correction of this error has resulted in a decrease in debt adjusted on review and a corresponding increase in outstanding debt.
- In June 2002, MSD gained Ministerial approval to write off existing aged debt where all avenues of recovery have been proven to be exhausted. The write-off of these debts in the last two years has increased the value of debt repaid or adjusted on review and decreased the value of outstanding debt.

Trends in debtor numbers

The number of debtors increased between 1999/2000 and 2001/2002 as a result of increases in the number of benefit debtors. This trend was reversed in 2002/2003 as a large number of debts were written off. Debtor numbers increased slightly during 2003/2004 (see [Table 6.7](#)).

table 6.7 Trends in the number of debtors with open debts, by category

Financial year ¹	Benefit debtors		Other debtors				Total debtors ²
	Current clients ³	Non-current clients ⁴	Liabe Parent Contributions ⁵	Total Maintenance ⁶	Student Allowances ⁷	Work debt ⁸	
1999/2000	154,241	113,591	30,861	10,508	3,066	584	312,851
2000/2001	170,561	121,613	28,653	9,792	3,480	609	334,708
2001/2002	173,296	127,788	26,639	8,691	3,729	624	340,767
2002/2003	176,025	108,709	10,240	4,825	3,817	637	304,253
2003/2004	182,491	114,888	8,341	3,025	4209	101	308,745

Notes

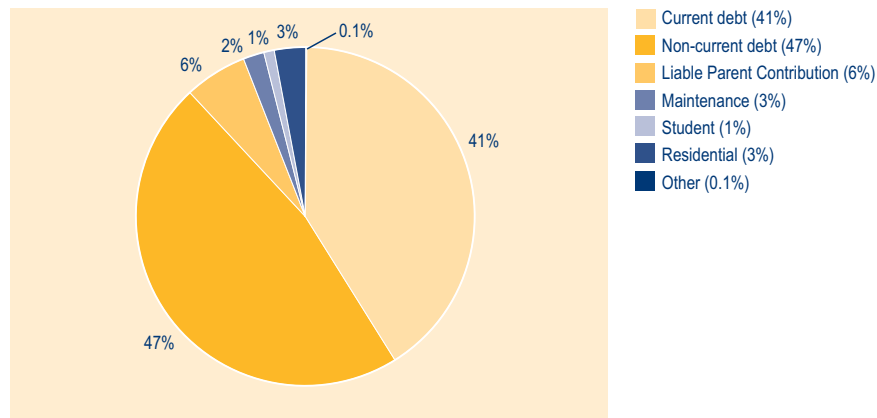
- Financial years ended 30 June.
- The total number of debtors may be overstated because of double-counting where a person has more than one type of debt.
- Debtors who are currently receiving income support from Work and Income and have had advances, grants or overpayments of income support.
- Debtors who are no longer receiving income support from Work and Income but who have had advances, grants or overpayments of income support.
- The Liabe Parent Contribution Scheme ended in 1992. The number represents liable parents with arrears of payments.
- Administration of Maintenance Orders and registered agreements ended in 1992. The number represents Crown maintenance debtors with arrears of payments.
- Debtors who have received overpayments of Student Allowance. Prior to 1 January 1999, the Ministry of Education administered Student Allowance debt.
- Debtors who have received overpayment of employment-related grants and allowances. Prior to October 1998, the New Zealand Employment Service administered work debt.

Debt composition

In total, 88% of all Crown debt is a result of benefit overpayment, benefit advance or grant. Current benefit debt accounts for 41% of Crown debt, while non-current debt accounts for 47% (see [Figure 6.1](#)).

figure
6.1

Total composition of Crown debt at 30 June 2004



Social Security Agreements

Introduction

New Zealand currently has social security agreements with Australia, the United Kingdom (UK), the Netherlands, the Republic of Ireland, Greece (the Hellenic Republic), Canada, Denmark, and Jersey and Guernsey. There is also a special portability arrangement for specified countries of the Pacific. An agreement was signed with Italy in June 1998, but it has not yet been ratified by Italy.

Current social security agreements

Australia

A new social security agreement between New Zealand and Australia came into effect on 1 July 2002. The agreement covers New Zealand Superannuation, Veterans' Pensions and Invalids' Benefits for people with severe disabilities. Under this agreement, individual pensioners receive dual payments (one from each Government, according to the proportion of the individual's working life spent in each country).

People going to Australia can use their periods of residence in New Zealand to help them qualify for an Australian pension covered by the agreement. Conversely, periods of residence in Australia will assist people coming to live in New Zealand to qualify for New Zealand benefits covered by the agreement.

Benefit reimbursements from New Zealand to Australia, which were calculated under the provisions of the previous agreement, continue to be made. Reimbursement amounts are set out in the new agreement and should phase out in approximately 2015. The reimbursement for the financial year beginning 1 July 2003 was \$AUD88.9 million.

At 30 June 2004, there were 4,899 people receiving Australian pensions in New Zealand. At the same date, there were 2,700 people receiving New Zealand income services in Australia. Fourteen people were receiving a Veterans' Pension, 416 people were receiving an Invalids' Benefit and 2,270 were receiving New Zealand Superannuation.

The United Kingdom (UK)

People going to the UK can use their periods of residence in New Zealand to help them qualify for a UK pension and certain other social security payments. People coming from the UK to New Zealand can use periods of UK residence to help them qualify for a New Zealand benefit. In addition, UK pensions are paid to New Zealand residents under UK domestic law.

There were 40,195 people receiving UK pensions in New Zealand at 30 June 2004. At the same date, a further 26 Isle of Man pensions were also being paid into New Zealand under the current New Zealand/UK agreement.

The Netherlands

A revised social security agreement with the Netherlands came into effect on 1 November 2003. People who have lived in New Zealand for 12 months or more may, under the terms of the agreement, qualify for New Zealand Superannuation, Veterans' Pension, Invalids' Benefit, Widows' Benefit or Domestic Purposes Benefit for widowers while they are living in the Netherlands. The rate of payment is based on whole months of residence in New Zealand since age 20.

Anyone arriving in New Zealand from the Netherlands may use periods of residence or contributions made in the Netherlands to meet the residence criteria for New Zealand benefits within the scope of the agreement. A person who has limited residence, or who has made a limited number of insurance contributions in the Netherlands, may use New Zealand residence to help them qualify for a pension from the Netherlands.

At 30 June 2004, there were 3,455 people receiving Netherlands pensions in New Zealand. At the same date, there were 892 people receiving New Zealand income services in the Netherlands. Three people were receiving an Invalids' Benefit, two people were receiving a Widows' Benefit and 887 people were receiving New Zealand Superannuation.

The Republic of Ireland

This agreement came into force on 1 March 1994. Under the agreement, former New Zealand residents who have lived or intend to live in the Republic of Ireland for more than 26 weeks may qualify for New Zealand Superannuation, Veterans' Pension, Widows' Benefit, Invalids' Benefit, Domestic Purposes Benefit for widowers or Orphan's Benefit. The rate of payment is based on whole months of residence in New Zealand since age 20. The agreement also allows payments of analogous Irish benefits to qualifying New Zealand residents.

People coming to live in New Zealand from the Republic of Ireland may use periods of contributions to Irish insurance to assist them to meet the residence criteria for New Zealand income services.

At 30 June 2004, there were 106 people receiving New Zealand Superannuation in the Republic of Ireland. At the same date, there were 131 Irish pensions being paid in New Zealand.

Greece (the Hellenic Republic)

This agreement came into force on 1 April 1994. Under the agreement, former New Zealand residents who live or intend to live in Greece may qualify for New Zealand Superannuation, Veterans' Pension, Widows' Benefit, Invalids' Benefit or Domestic Purposes Benefit for widowers. The rate of payment is based on whole years of New Zealand residence since age 20. Orphan's Benefit and funeral grants are also payable at the full New Zealand rate.

People arriving in New Zealand from Greece may use periods of residence and/or insurance in Greece to qualify for New Zealand income services within the scope of the agreement. Periods of residence in New Zealand will also assist people who have made limited Greek insurance contributions to qualify for a Greek pension.

At 30 June 2004, there were five people receiving an Invalids' Benefit and 221 people receiving New Zealand Superannuation in Greece. At the same date, 19 Greek pensions had been granted to New Zealand residents under the agreement.

Canada

The agreement with Canada came into force in May 1997. Under the agreement, former New Zealand residents who live or intend to live in Canada may qualify for New Zealand Superannuation, Veterans' Pension, Widows' Benefit, Invalids' Benefit or Domestic Purposes Benefit for widowers. The rate of payment is based on whole months of New Zealand residence since age 20.

Anyone arriving in New Zealand from Canada may use periods of residence or contributions made in Canada to meet the residence criteria for New Zealand income services within the scope of the agreement. Periods of residence in New Zealand will also assist people who have made limited contributions to the Canadian scheme, or who have insufficient periods of Canadian residence, to qualify for a Canadian pension.

At 30 June 2004, there were two people receiving a Widows' Benefit, three people receiving an Invalids' Benefit and 282 people receiving New Zealand Superannuation in Canada. At the same date, there were 390 Canadian pensions being paid in New Zealand.

Denmark

The agreement with Denmark came into force on 1 October 1997. Under the agreement, former New Zealand residents who live or intend to live in Denmark may qualify for New Zealand Superannuation, Widows' Benefit, Invalids' Benefit or Domestic Purposes Benefit for widowers. The rate of payment is based on whole months of New Zealand residence since age 20.

Anyone arriving in New Zealand from Denmark may use periods of residence or contributions made in Denmark to meet the residence criteria for New Zealand income services within the scope of the agreement. Periods of residence in New Zealand will also assist people who have made limited contributions to the Danish scheme, or who have insufficient periods of Danish residence, to qualify for a Danish pension. To qualify for a Danish pension under the agreement, a person must be either a Danish or New Zealand citizen.

At 30 June 2004, there were three people receiving an Invalids' Benefit and 35 people receiving New Zealand Superannuation in Denmark. At the same date, there were 71 Danish pensions being paid in New Zealand.

Jersey and Guernsey

This agreement came into force on 1 April 1995. Under the agreement, former New Zealand residents who live or intend to live in Jersey or Guernsey may qualify for New Zealand Superannuation, Veterans' Pensions, Widows' Benefit, Invalids' Benefit or Domestic Purposes Benefits for widowers. The rate of payment is based on whole years of New Zealand residence since age 20.

People coming to New Zealand who have made contributions to the Jersey or Guernsey social insurance schemes will be able to use those periods of insurance to qualify for New Zealand benefits within the scope of the agreement, which includes the Sickness Benefit. Periods of residence in New Zealand will also assist people who have made limited contributions to the Jersey or Guernsey insurance schemes to qualify for pensions available under those schemes.

At 30 June 2004, there were 60 people receiving New Zealand Superannuation in Jersey and Guernsey. At the same date, there were 114 Jersey or Guernsey pensions being paid in New Zealand.

Payments overseas under social security agreements

At 30 June 2004, around 90% of the people receiving New Zealand pensions or income services while residing overseas were receiving New Zealand Superannuation. Of the people receiving New Zealand pensions or income services at 30 June 2004 while they were residing overseas, 55% were residing in Australia and 18% were living in the Netherlands.

Trends in the number of core benefit or pension recipients in New Zealand who qualify under social security agreements

People who have come to New Zealand from overseas may qualify for some New Zealand entitlements under social security agreements because residency or social security contributions in another country are taken into account for meeting New Zealand residence requirements.

The number of people who qualified for New Zealand entitlements under the agreement with Australia increased during the period 2002–2004 (see [Table 6.8](#)), thereby diminishing the proportion represented by those qualifying under the agreement with the UK (from 62% to 42%). However, the actual number of persons qualifying overall under agreements continues to increase.

table
6.8

Trends in the number of clients qualifying for New Zealand entitlements under social security agreements, by country of reciprocity

Country of reciprocity	Number of clients receiving New Zealand pensions or income services who qualified by social security agreements ¹					
	1999 Number	2000 Number	2001 Number	2002 Number	2003 Number	2004 Number
Australia	1,015	1,046	1,037	1,099	1,800	3,822
Canada	96	131	160	197	235	282
Denmark	42	63	66	73	80	90
Greece	136	137	156	170	173	198
Ireland	68	83	86	80	106	138
Jersey and Guernsey	51	63	66	66	66	69
Netherlands	545	610	661	705	781	812
United Kingdom	3,374	3,424	3,394	3,524	3,693	3,899
Total	5,327	5,557	5,626	5,914	6,934	9,310

Note

¹ Numbers recorded as receiving payments at 30 June who qualified through social security agreements.

Other provisions for payment of New Zealand Superannuation and Veterans' Pension overseas

General portability

Under the general portability provision, people eligible to receive New Zealand Superannuation or a Veterans' Pension in their own right may receive 50% of their payment while they are living outside New Zealand, provided that they are not living in a country that has a social security agreement with New Zealand. Applications under this provision must be made while the applicant is resident in New Zealand.

The uptake of the Payment Overseas programme has largely been from single people leaving New Zealand to return to the country of their birth. The principal destinations are Europe and North America.

At 30 June 2004, 178 people were receiving pension payments under the general portability provision.

Special portability arrangement for Pacific countries

People leaving New Zealand to reside in a Pacific country can receive a rate of New Zealand Superannuation or a Veterans' Pension that is based on their New Zealand residence since the age of 20 years. People residing in New Zealand for 10 years since the age of 20 years receive 50% of New Zealand Superannuation or a Veterans' Pension. People residing in New Zealand for 10–20 years since the age of 20 years are entitled to an additional 5% of New Zealand Superannuation or a Veterans' Pension for each year of residence over 10 years. At the date of application, they must be both resident and present in New Zealand, and intending to live in the islands for 52 weeks or more.

Pacific countries covered by the arrangement are: American Samoa, the Cook Islands, the Federated States of Micronesia, Fiji, French Polynesia, Guam, Kiribati, Marshall Islands, Nauru, New Caledonia, Niue, Northern Mariana Islands, Palau, Papua New Guinea, Pitcairn Island, Samoa, Solomon Islands, Tokelau, Tonga, Tuvalu, Vanuatu, and Wallis and Fortuna.

At 30 June 2004, New Zealand was paying 447 people under the special portability arrangements.

The significantly larger uptake of Special Portability as opposed to General Portability reflects the more generous payment provisions of the former, the proximity of Pacific countries and the close family links that are often maintained even after a person's immigration to New Zealand from a Pacific country.

Trends in total payments to New Zealanders living overseas

New Zealanders living overseas may be eligible to receive New Zealand Superannuation or a Veterans' Pension under the special and general portability provisions of the Payment Overseas programme and under social security agreements. At 30 June 2004, 4,934 New Zealanders living overseas were receiving payment from New Zealand. Of these New Zealanders, 430 were receiving Invalids' Benefits, 15 were receiving Veterans' Pensions and four were receiving Widows' Benefits. However, the majority of these clients (4,485) were receiving New Zealand Superannuation. This reflects in part the fact that New Zealand Superannuation may be paid overseas to more countries than other benefits that are only paid overseas under an agreement. It may also reflect a higher propensity of retired people than of working-aged beneficiaries to live in another country, which is often their country of origin.

Foreign pensions paid into New Zealand

Some people receive a reduced rate of New Zealand benefit because they are also receiving overseas pensions paid into New Zealand under social security agreements, or from non-agreement countries.

Trends in the number of Work and Income clients receiving overseas pensions

The number of Work and Income clients also receiving overseas pensions has increased since 2000 (see [Table 6.9](#)).

The number of Work and Income clients who receive overseas pensions from Australia in New Zealand has increased proportionately since 2000 (from 0% to 10%), while the proportion of people receiving pensions from the UK in New Zealand has decreased (from 95% to 80%) (see [Table 6.9](#)).

table 6.9 Trends in the number of Work and Income clients receiving an overseas pension, by country the pension is received from

Country pension is received from	Number of Work and Income clients receiving an overseas pension ¹				
	2000 Number	2001 Number	2002 Number	2003 Number	2004 Number
Austria	0	0	0	0	4
Australia	8	12	15	1,539	4,899
Barbados	1	1	1	3	3
Belgium	2	3	3	4	4
Bulgaria	0	0	0	3	4
Canada	103	142	210	308	390
Chile	0	0	0	1	0
China, Peoples Republic of	0	5	77	166	153
Croatia	0	0	0	0	1
Czechoslovakia	0	0	0	2	2
Denmark	7	20	29	62	71
Egypt	0	0	0	1	0
Fiji	0	3	8	45	56
Finland	0	0	0	0	2
France	0	1	2	5	8
French Polynesia	0	0	0	0	2
German Democratic Republic (East)	10	30	55	44	46
Germany (West)	0	0	0	86	105
Greece	12	16	17	19	19
Guernsey	22	36	44	49	51
Hungary	0	0	0	1	1
India	0	1	4	24	20
Ireland	38	57	71	91	131
Isle of Man	22	22	23	24	26
Israel	0	0	1	1	1
Italy	0	1	2	2	3
Japan	0	0	0	4	5
Jersey	44	44	50	50	63
Malaysia	0	1	0	2	3
Malta	0	0	0	1	1
Marshall Islands	0	0	0	0	1
Netherlands	1,564	1,801	1,989	3,148	3,455
Norway	2	2	2	3	3
Philippines	0	2	12	20	22
Poland	0	0	0	1	2
Portugal	0	0	0	0	1
Singapore	0	0	0	2	2
South Africa, Republic of	2	4	9	26	36
Sri Lanka	5	25	31	57	53
Sweden	1	2	1	3	2
Switzerland	9	28	40	82	110
Tahiti	0	1	1	1	1
Union of Soviet Socialist Republics	0	0	0	13	22
United Kingdom	32,690	33,363	35,114	37,757	40,195
United States of America	33	35	53	98	150
Yugoslavia	0	0	2	7	9
Zimbabwe	0	1	1	2	2
Total	34,575	35,659	37,867	43,757	50,140

Note

¹ Numbers recorded as receiving an overseas pension at 30 June.

Section 7 Trends since 1940 in use of, and expenditure on, core benefits and pensions

Table 7.1 shows trends since 1940 in the number of clients receiving core benefits and pensions. **Table 7.2** shows trends since 1940 in expenditure on core benefits and pensions.

table
7.1

Historical summary – numbers of people receiving core benefits and pensions 1940–2004^{1,2}

Year ³	Unemployment-related benefits and Emergency Benefits ⁴	Independent Youth Benefit	Sickness-related benefits ⁵	Invalids' Benefit	Miners' Benefit
1940	4,053		2,565	11,811	988
1945	198		4,233	12,205	783
1950	12		4,931	9,476	636
1955	19		4,277	8,110	481
1960	312		4,064	8,024	353
1965	208		4,681	7,951	184
1970	983		5,876	8,342	98
1975	2,894		7,830	9,414	45
1980	20,850		7,504	15,647	21
1981	35,666		7,104	16,961	16
1982	32,596		7,177	17,891	16
1983	50,744		7,669	18,757	16
1984	50,136		9,452	20,187	13
1985	38,419		9,627	21,464	11
1986	42,405		9,517	21,993	10
1987	63,922		11,116	23,087	10
1988	86,782		13,132	24,379	9
1989	123,565		16,021	26,260	7
1990	149,078		19,511	27,824	6
1991	158,204	2,538	20,147	30,746	3
1992	174,542	3,682	24,093	31,831	1
1993	176,872	4,364	28,729	34,957	
1994	166,703	3,313	31,535	37,030	
1995	148,161	2,891	34,037	39,686	
1996	142,539	3,020	33,332	42,423	
1997	145,679	2,680	31,653	46,174	
1998	158,412	2,867	35,291	49,468	
1999	165,722	3,481	33,022	51,173	
2000	155,594	3,566	32,294	55,392	
2001	141,214	3,635	33,620	59,812	
2002	126,934	2,998	36,380	64,529	
2003	113,495	2,702	39,902	68,507	
2004	83,425	2,287	44,128	72,342	

Notes

- 1 A historical summary of the number of people receiving core benefits or pensions prior to 1940 is included in the 1990 Official Year Book, p. 210. Since 1975, the number of people receiving Emergency Benefits or receiving benefits granted because of hardship has been included in the numbers receiving core benefits or pensions in the group concerned.
- 2 All figures given exclude spouses and partners who receive a share of the core benefits paid to their partner or spouse.
- 3 Prior to 1990, the year ended 31 March; from 1990 onwards, the year ended 30 June.
- 4 Excludes people receiving an Independent Youth Benefit. Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people or trainees, and the Emergency Benefit paid to unemployed people or trainees. Includes persons aged 55 or over receiving an Unemployment Benefit. From 1991, includes Job Search Allowance. From 1998, includes Young Job Seekers' Allowance and Emergency Benefit. From 1 July 2001, includes Unemployment Benefit – Hardship – Student. From 1 October 1998 until 30 June 2001, the main benefit in this group was known as a Community Wage – Job Seeker, and from 1 July 2001, it was known as an Unemployment Benefit.

	Carers' Benefits ⁶	Widows' Benefit	Unsupported Child's Benefit and Orphan's Benefit	Family Benefit ⁷	Transitional Retirement Benefit ⁸	NZ Superannuation ⁹	Veterans' Pensions ¹⁰
		10,174	330	11,053		93,262	
		10,965	421	24,251		158,332	
		14,198	366	254,920 ⁷		186,512	
		12,197	300	298,370		199,236	
		13,049	277	343,193		204,036	
		14,529	316	376,824		214,659	
		15,663	315	408,397		241,772	
	17,231	16,738	376	452,389		289,348	
	37,040	16,120	413	460,897		405,834	
	39,412	15,416	388	461,211		418,901	
	43,447	14,737	365	459,994		430,175	
	48,121	14,125	362	460,798		441,789	
	53,144	13,921	384	460,382		451,128	
	56,548	13,557	365	455,961		459,813	
	62,570	13,304	364	455,330		465,079	
	69,146	13,019	496	450,072		473,401	
	74,862	12,862	1,537	436,066		479,985	
	85,615	13,026	2,993	437,287		485,962	
	94,823	12,676	5,239	446,373		495,500	3,428
	97,000	10,989	2,931			506,047	3,130
	96,722	9,873	3,135			504,561	5,393
	96,335	10,259	3,539			488,893	6,117
	100,256	9,012	4,093		6,540	477,400	6,278
	104,027	9,007	4,280		7,327	469,239	6,380
	108,790	9,043	4,655		7,832	481,565	6,887
	112,289	9,151	4,833		7,967	474,488	7,182
	113,329	9,372	5,078		8,151	469,307	7,277
	109,516	9,178	5,383		8,743	461,137	7,334
	108,939	9,104	5,799		8,856	453,401	7,248
	107,821	8,900	6,075		9,012	446,706	7,425
	108,009	8,774	6,332		5,118	450,435	7,587
	109,295	8,659	6,789		2,110	457,278	7,872
	109,526	8,413	7,051		0	464,624	8,465

⁵ Includes Sickness Benefit and Sickness Benefit – Hardship.

⁶ Includes Domestic Purposes Benefit – Sole Parents, Domestic Purposes Benefit – Caring for the Sick and Infirm, Domestic Purposes Benefit – Women Alone, and Emergency Maintenance Allowances.

⁷ Family Benefit was paid without a means test from 1 April 1946 and was abolished from 1 April 1991. Ongoing problems with data and programs used to extract the statistics relating to Family Benefit have meant that these statistics are of uncertain accuracy.

⁸ Transitional Retirement Benefit was introduced on 1 April 1994 and abolished on 1 April 2004.

⁹ Up to 1975, superannuation and age-related pensions were combined. From 1976, superannuation and age-related pensions were replaced by National Superannuation. For the period 1 April 1990 to 31 March 1992, this pension was called Guaranteed Retirement Income. Between 1 April 1992 and 31 March 1994, it was known as National Superannuation, and from 1 April 1994 onward, it has been known as New Zealand Superannuation. The age of eligibility was raised to 61 on 1 April 1992, and was raised progressively to reach 65 years on 1 April 2001. This table excludes non-qualified spouses before 1996, but includes them for 1996 and for later years.

¹⁰ From 1 July 1999, Veterans' Pensions and War Pensions have been funded from Vote: Veterans' Affairs: Social Development.

Please note that expenditure figures given in **Table 7.2** include expenditure on supplementary benefits received by people who are receiving the core benefits, while core benefit and pension expenditure data published in some other sources does not. This may lead to differences between expenditure information in **Table 7.2** and core benefit and pension expenditure information published in other sources.

table 7.2 Historical summary – expenditure on core benefits and pensions 1940–2003 (\$000)^{1,2,3,4}

Year ^{5,6}	Unemployment-related benefits and Emergency Benefits ⁷	Independent Youth Benefit ⁸	Sickness-related benefits ⁹	Invalids' Benefit	Miners' Benefit
1940	869		418	1,884	185
1945	56		704	2,145	149
1950	21		2,017	2,795	240
1955	11		2,554	3,233	257
1960	380		3,439	4,237	226
1965	197		3,914	4,830	153
1970	1,465		6,073	6,093	99
1975	5,155		15,887	13,665	84
1980	66,077		33,236	40,924	76
1981	118,757		38,553	49,580	68
1982	156,429		43,529	60,454	72
1983	195,218		52,355	79,074	95
1984	315,849		62,212	87,410	78
1985	274,689		72,550	105,724	72
1986	290,462		91,762	133,287	76
1987	459,685		124,292	159,823	74
1988	672,694		159,850	196,051	69
1989	987,275		197,745	226,304	72
1990	1,291,516		229,568	260,751	68
1991	1,483,324		248,672	289,212	39
1992	1,519,794	25,605	239,415	348,810	14
1993	1,638,905	28,640	284,597	372,786	
1994	1,591,047	26,263	329,995	422,324	
1995	1,407,266	21,547	352,167	463,598	
1996	1,373,513	21,552	378,850	494,849	
1997	1,468,178	20,739	406,164	555,200	
1998	1,593,891	20,764	434,956	622,157	
1999	1,688,066	26,610	403,708	654,432	
2000	1,679,544	29,229	384,680	700,385	
2001	1,576,915	31,532	385,680	761,656	
2002	1,456,215	29,782	415,683	843,535	
2003	1,325,672	25,205	460,209	926,515	
2004	1,133,429	23,350	518,943	996,639	

Notes

- Expenditure figures shown are on a cash basis until 30 June 1994, and on an accrual basis thereafter. Accrual figures exclude repayable amounts such as recoverable Special Needs Grants or benefit advances that are recorded as capital contributions. Accrual figures are also net of debts recovered.
- Expenditure figures shown here are net of taxation, except for New Zealand Superannuation which is shown gross of taxation.
- Expenditure figures include expenditure on Accommodation Supplement, Disability Allowance, Disability Allowance – Telephone Assistance, Disability Assistance Programme, Tenure Protection Allowance, Special Transfer Allowance, Training Incentive Allowance, Special Benefit, and non-recoverable Special Needs Grants.
- 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.
- A historical summary of expenditure on income support prior to 1940 is included in the 1990 Official Year Book, p. 210. Expenditure since 1977 on Emergency Benefits or benefits paid on grounds of hardship has been included in expenditure on the related main income support.
- Prior to 1990, the year ended 31 March; from 1990 onwards, the year ended 30 June.
- Includes expenditure on Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to people in training, on Emergency Benefits paid to unemployed people or to people in training, and on Independent Youth Benefits. Includes expenditure on unemployment-related benefits paid to people aged 55 years or over. From 1991, includes Job Search

	Carers' Benefits ¹⁰	Widows' Benefit	Unsupported Child's Benefit and Orphan's Benefit	Family Benefit ¹¹	Transitional Retirement Benefit ¹²	NZ Superannuation ¹³	Veterans' Pensions ¹⁴
		1,572	30	505		13,036	
		1,971	47	2,810		18,974	
		4,320	62	29,702		34,627	
		5,329	58	36,358		58,002	
		7,832	79	63,584		85,502	
		10,215	110	65,925		110,314	
		13,742	150	73,318		155,822	
	30,156	27,967	381	153,175		365,803	
	169,449	53,342	778	220,854		1,334,115	
	198,053	57,815	865	306,773		1,556,518	
	252,654	62,164	943	297,705		1,895,845	
	333,617	73,954	1,114	293,044		2,418,930	
	380,836	71,295	1,186	289,689		2,526,031	
	460,385	78,495	1,004	284,167		2,743,512	
	603,878	89,338	1,281	281,957		3,341,211	
	709,568	94,732	1,700	273,248		3,650,165	
	808,787	104,170	6,174	290,556		3,986,544	
	962,871	106,062	14,074	258,445		4,314,259	
	1,136,718	114,888	24,742	284,444		4,774,676	1,147
	1,207,856	106,070	20,697	222,996		5,173,859	29,639
	1,161,191	85,468	15,080			5,514,482	33,331
	1,159,737	84,977	16,473			5,315,899	47,793
	1,228,054	86,665	19,185		17,385	5,102,551	54,660
	1,300,173	81,258	20,557		79,167	5,083,119	57,217
	1,440,122	85,008	22,929		90,698	5,170,506	60,612
	1,563,488	91,249	26,870		96,819	5,239,129	64,963
	1,654,035	93,931	29,831		99,875	5,259,198	70,414
	1,610,910	93,235	32,152		105,412	5,221,501	72,645
	1,590,813	91,592	35,413		112,384	5,227,598	73,801
	1,575,974	89,008	38,567		114,108	5,422,012	78,354
	1,588,381	88,958	41,953		86,567	5,600,488	83,605
	1,634,477	90,265	47,081		42,013	5,798,873	87,625
	1,716,917	90,252	50,991		9,679	6,059,395	95,803

Allowance. From 1998, includes Young Job Seekers' Allowance and Emergency Benefit. From 1 July 2001, includes Unemployment Benefit – Hardship – Student. From 1 October 1998, the main core benefit in this group was known as Community Wage – Job Seeker, and from 1 July 2001, it was known as the Unemployment Benefit.

8 Independent Youth Benefit began in December 1990, and expenditure is included in expenditure on unemployment-related benefits. Expenditure on Independent Youth Benefit has also been separated out as far as possible.

9 Includes expenditure on Sickness Benefit and Sickness Benefit – Hardship.

10 Includes expenditure on Domestic Purposes Benefit – Sole Parents, Domestic Purposes Benefit – Caring for the Sick and Infirm, Domestic Purposes Benefit – Women Alone, and Emergency Maintenance Allowance.

11 Family Benefit was paid without a means test from 1 April 1946, and was abolished from 1 April 1991. Ongoing problems with data and programs used to extract the statistics related to Family Benefit have meant that these figures are of uncertain accuracy.

12 Transitional Retirement Benefit was introduced on 1 April 1994 and abolished 1 April 2004.

13 Up to 1975, superannuation and age-related pensions were combined. From 1976, superannuation and age-related pensions were replaced by National Superannuation. For the period 1 April 1990 to 31 March 1992, this pension was called Guaranteed Retirement Income. From 1 April 1992 to 31 March 1994, it was known as National Superannuation, and from 1 April 1994, it has been known as New Zealand Superannuation. The age of eligibility was raised to 61 on 1 April 1992, and was raised progressively to reach 65 years on 1 April 2001. This table excludes non-qualified spouses before 1996, but includes them for 1996 and for later years.

14 From 1 July 1999, Veterans' Pensions and War Pensions have been funded from Vote: Veterans' Affairs: Social Development.

Appendix 1 Administration of benefits and pensions

Income testing

Clients are subject to an income test if they are receiving:

- core benefits apart from Unsupported Child's Benefits, Orphan's Benefits or Invalids' Benefits paid to totally blind people
- supplementary benefits apart from a Child Disability Allowance.

Income testing involves both of the following:

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

Unsupported Child's Benefits and Orphan's Benefits are tested on the income (other than personal earnings) of the child for whom these benefits are paid.

Income is defined in section 3 of the Social Security Act 1964 as any money received (before income tax) that is not a one-off capital payment. It includes wages, salary, commission and Parental Leave payments, and the value of any interest (before income tax) acquired that is not a one-off capital payment. Whether or not income is taxed is irrelevant to identifying it as income.

As well as interest received from savings and investments, interest can refer to the value in money's worth rather than money itself. For example, where another person is meeting expenses such as rent for the client, this can be considered as income. The value of free board or free rent is also considered as income.

Clients are required to declare other income received while they are in receipt of an income-tested benefit. Receipt of other income over a certain level (generally \$80 per week before tax) leads to abatement of the income-tested core benefit received. Supplementary benefits may be abated due to receipt of other income even when the level of income received is too low to affect the client's core benefit.

New Zealand Superannuation and Veterans' Pensions are not income tested unless:

- non-qualified spouses are included, or
- the qualified client receiving a Veterans' Pension is aged under 65 years.

Work testing

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

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

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

For many clients who were not exempted from the work test and who had no dependent children aged under six years, fulfilling their work test requirements involved registering as job seekers.

For clients not exempted from a work test, any work or training being undertaken (whether this began before or after they became subject to a work test) may be counted toward fulfilling their obligations under the work test.

The Personal Development and Employment Plan

The Personal Development and Employment Plan process involves the development and implementation of a plan to assist the client in moving toward employment, and therefore toward economic and social participation in society. The planning process involves:

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

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

- any features of individual circumstances or parenting responsibilities that may affect their ability to obtain employment
- any specific constraints on the client's ability to obtain or retain employment that arise from the client's individual circumstances or parenting responsibilities
- any practical assistance that the client may need in order to support themselves through employment
- the client's own skills and experience (including those developed through unpaid work) that are relevant to helping them find the most effective path to enable them to obtain employment.

The plan should:

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

The client is expected to:

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

Case managers may, with the agreement of their manager, waive the requirement that the client participate in the Personal Development and Employment Plan process:

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

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

Appendix 2 **Definition of officially unemployed, and differences from registered job seekers**

Definition of the officially unemployed

The officially unemployed are people aged 15–64 years who:

- are without any paid work and without unpaid work in a relative's business
- have actively sought work in the previous four weeks (ie done more than check newspaper advertisements)
- are available to take up work.

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

Differences between the officially unemployed and registered job seekers

There are a number of differences between registered job seekers and people counted as officially unemployed. These differences contribute to these measures of unemployment being incompatible. It should be noted that the count of registered job seekers used in this report is an administrative measure only, and should not be treated as an official measure of unemployment.

The key differences between registered job seekers and the officially unemployed concern:

- whether and how much people can work before being counted as unemployed – registered job seekers may be working up to 29 hours per week, as long as they are seeking to increase their hours of work; the officially unemployed, however, must have had no paid work and no unpaid work in a relative's business
- what job search activities the unemployed must be undertaking – there are no specific job search criteria for registered job seekers, although people who face a work test have an obligation to take reasonable steps to find suitable paid employment; the officially unemployed, however, must have actively sought work (ie done more than looking at job advertisements in the newspaper) within four weeks of having their employment status measured
- availability for work – most registered job seekers are expected to be available for work but, at any time, some (eg those caring for a sick child) may not be immediately available; all of the officially unemployed, however, must either be available to start work or have a job to start in the next four weeks.

Appendix 3 SWIFTT and SOLO data underlying calculation of the proportion of the population receiving Work and Income assistance

table
A3.1

Trends in the numbers of people aged 18 years or over receiving Work and Income assistance (used in Figure 2.1)

Population group and assistance received at 30 June	Clients receiving Work and Income assistance				
	2000 Number	2001 Number	2002 Number	2003 Number	2004 Number
18–59 year olds receiving a core benefit ¹	337,300	323,430	313,324	306,031	282,397
18–59 year olds receiving work services ²	223,425	185,887	162,863	139,871	103,230
Clients aged 65 years or over receiving a pension ³	428,430	433,358	438,250	446,027	455,090
People aged 18 or over receiving one or more supplementary benefits and/or Special Benefit	448,511	425,280	424,553	429,822	424,851

Notes

- 1 Numbers of clients in stated age groups recorded in SWIFTT as receiving a core benefit at 30 June.
- 2 Numbers of job seekers in stated age groups registered in SOLO at 30 June.
- 3 Number of clients in stated age groups recorded in SWIFTT as receiving a pension at 30 June. Excludes clients receiving War Disablement Pensions.

table
A3.2

Trends in the ages of children aged under 18 years who are dependent on clients receiving a core benefit (used in Figure 2.2)

Age of child at 30 June	Children under 18 years dependent on clients receiving core benefits ¹				
	2000 Number	2001 Number	2002 Number	2003 Number	2004 Number
0–4 years	86,609	83,146	80,459	78,638	76,297
5–9 years	87,835	83,848	81,035	79,700	76,774
10–14 years	74,027	74,036	73,442	72,917	70,505
15–17 years	29,979	29,256	29,007	30,198	30,680
Total children aged under 18 years	278,450	270,286	263,943	261,453	254,256

Note

- 1 Numbers of children in age groups recorded in SWIFTT as dependent on clients receiving core benefits at 30 June.

table A3.3 Trends in the ages of children aged under 18 years who are dependent on registered job seekers (used in Figure 2.3)

Age of child at 30 June ¹	Children under 18 years dependent on registered job seekers ²				
	2000 Number	2001 Number	2002 Number	2003 Number	2004 Number
0–4 years	25,670	19,546	16,922	16,650	13,819
5–9 years	41,938	32,090	27,035	22,364	15,790
10–14 years	41,237	34,705	31,276	25,853	17,176
15–17 years	16,990	14,310	13,086	11,328	7,824
Total children aged under 18 years	125,835	100,651	88,319	76,195	54,609

Notes

- Information on the numbers and ages of children dependent on job seekers is only available for job seekers who were also receiving financial assistance from Work and Income. At each of the dates shown, around 95% of registered job seekers were receiving such assistance.
- Numbers of children in age groups recorded in SWIFTT as dependent on job seekers who are registered in SOLO at 30 June.

table A3.4 Trends in the ages of clients aged 18–59 years receiving an unemployment-related benefit (used in Figure 3.1)

Age of client at 30 June	Clients aged 18–59 years receiving an unemployment-related benefit ^{1,2}				
	2000 Number	2001 Number	2002 Number	2003 Number	2004 Number
18–24 years	44,355	38,265	34,296	29,875	20,269
25–39 years	51,137	44,819	38,720	32,436	22,195
40–49 years	22,935	20,974	18,580	15,836	10,911
50–59 years	19,259	17,953	16,503	14,831	9,671
Total aged 18–59 years	137,686	122,011	108,099	92,978	63,046

Notes

- Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people or to those in training, and Independent Youth Benefits.
- Numbers of clients in age groups recorded in SWIFTT as receiving an unemployment-related benefit at 30 June.

table A3.5 Trends in the number of clients aged 16–17 years receiving an Independent Youth Benefit (used in Figure 3.2)

Age of client at 30 June	Clients aged 16–17 years receiving an Independent Youth Benefit ¹				
	2000 Number	2001 Number	2002 Number	2003 Number	2004 Number
Total aged 16–17 years	3,126	3,178	2,771	2,612	2,169

Note

- Numbers of clients aged 16–17 years recorded in SWIFTT as receiving an Independent Youth Benefit at 30 June.

table A3.6 Trends in the ages of clients aged 18–59 years receiving a Domestic Purposes Benefit – Sole Parent or an Emergency Maintenance Allowance (used in Figure 3.4)

Age of client at 30 June	Clients aged 18–59 years receiving a Domestic Purposes Benefit – Sole Parent or Emergency Maintenance Allowance ¹				
	2000 Number	2001 Number	2002 Number	2003 Number	2004 Number
18–24 years	18,989	18,537	18,492	18,476	18,499
25–39 years	62,023	60,338	59,408	58,929	57,657
40–49 years	19,276	19,943	20,703	21,823	22,518
50–59 years	2,715	2,769	2,850	3,083	3,451
Total aged 18–59 years	103,003	101,587	101,453	102,311	102,125

Note

- ¹ Numbers of clients in age groups recorded in SWIFTT as receiving a Domestic Purposes Benefit – Sole Parent or Emergency Maintenance Allowance at 30 June.

table A3.7 Trends in the ages of clients aged 18–59 years receiving a sickness-related benefit (used in Figure 3.6)

Age of client at 30 June	Clients aged 18–59 years receiving a sickness-related benefit ^{1,2}				
	2000 Number	2001 Number	2002 Number	2003 Number	2004 Number
18–24 years	3,839	4,117	4,488	5,306	5,486
25–39 years	10,314	10,580	11,486	12,272	13,201
40–49 years	7,784	8,189	8,871	9,867	10,533
50–59 years	8,126	8,224	8,703	9,283	11,235
Total aged 18–59 years	30,063	31,110	33,548	36,728	40,455

Notes

- ¹ Includes Sickness Benefits and Sickness Benefits – Hardship.
² Numbers of clients in age groups recorded in SWIFTT as receiving a sickness-related benefit at 30 June.

table A3.8 Trends in the ages of clients aged 18–59 years receiving an Invalids' Benefit (used in Figure 3.8)

Age of client at 30 June	Clients aged 18–59 years receiving an Invalids' Benefit ¹				
	2000 Number	2001 Number	2002 Number	2003 Number	2004 Number
18–24 years	4,069	4,346	4,599	4,828	5,077
25–39 years	15,293	15,727	16,083	16,416	16,652
40–49 years	12,558	13,561	14,920	15,957	16,976
50–59 years	15,074	16,175	17,468	18,862	20,180
Total aged 18–59 years	46,994	49,809	53,070	56,063	58,885

Note

- ¹ Numbers of clients in age groups recorded in SWIFTT as receiving an Invalids' Benefit at 30 June.

table A3.9 Trends in the ages of children aged under 18 years covered by an Unsupported Child's Benefit or Orphan's Benefit (used in Figure 3.10)

Age of child at 30 June	Children aged under 18 years covered by an Unsupported Child's Benefit or Orphan's Benefit ¹				
	2000 Number	2001 Number	2002 Number	2003 Number	2004 Number
0–4 years	956	946	986	1,059	1,107
5–9 years	1,988	2,049	2,197	2,384	2,554
10–14 years	2,805	3,052	3,117	3,309	3,448
15–17 years	1,670	1,713	1,850	2,080	2,184
Total aged under 18 years	7,419	7,760	8,150	8,832	9,293

Note

¹ Numbers of children in age groups recorded in SWIFTT as being covered by an Unsupported Child's Benefit or Orphan's Benefit at 30 June.

table A3.10 Trends in the ages of women aged 18–59 years receiving a Widows' Benefit (used in Figure 3.12)

Age of client at 30 June	Women aged 18–59 years receiving a Widows' Benefit ¹				
	2000 Number	2001 Number	2002 Number	2003 Number	2004 Number
18–24 years	11	7	11	11	9
25–39 years	504	448	417	409	348
40–49 years	1,271	1,189	1,110	1,067	996
50–59 years	4,019	3,608	3,215	3,036	2,839
Total aged 18–59 years	5,805	5,252	4,753	4,523	4,192

Note

¹ Numbers of women in age groups recorded in SWIFTT as receiving a Widows' Benefit at 30 June.

table A3.11 Trends in the ages of registered job seekers aged 18–59 years (used in Figure 3.14)

Age of registered job seeker at 30 June	Registered job seekers aged 18–59 years ¹				
	2000 Number	2001 Number	2002 Number	2003 Number	2004 Number
18–24 years	57,006	47,660	42,862	38,033	27,093
25–39 years	93,807	76,761	66,001	55,522	39,265
40–49 years	46,229	39,610	35,203	30,201	21,210
50–59 years	26,383	21,856	18,797	16,115	15,662
Total aged 18–59 years	223,425	185,887	162,863	139,871	103,230

Note

¹ Numbers of job seekers registered in SOLO at 30 June.

table A3.12 Trends in the numbers of 60–64 year olds receiving a Transitional Retirement Benefit (used in Figure 3.15)

Age of client at 30 June	Clients aged 60–64 years receiving a Transitional Retirement Benefit ¹			
	2000 Number	2001 Number	2002 Number	2003 Number
Total aged 60–64 years	8,840	8,974	5,104	2,094

Note

¹ Numbers of 60–64 year olds recorded in SWIFTT as receiving a Transitional Retirement Benefit at 30 June.

table A3.13 Trends in the ages of clients aged 65 years or over receiving New Zealand Superannuation (used in Figure 3.17)

Age of client at 30 June	Clients aged 65 years or over receiving New Zealand Superannuation ¹				
	1999 Number	2000 Number	2001 Number	2002 Number	2003 Number
65–69 years	121,105	119,719	120,489	123,485	127,786
70–74 years	111,812	112,963	112,741	112,069	111,757
75–79 years	87,937	89,363	90,434	92,571	94,098
80 years or over	100,750	104,406	107,593	110,658	113,661
Total aged 65 years or over	421,604	426,451	431,257	438,783	447,302

Note

¹ Numbers of clients in age groups recorded in SWIFTT as receiving New Zealand Superannuation at 30 June.

table A3.14 Trends in the ages of clients aged 65 years or over receiving a Veterans' Pension (used in Figure 3.19)

Age of client at 30 June	Clients aged 65 years or over receiving a Veterans' Pension ¹				
	2000 Number	2001 Number	2002 Number	2003 Number	2004 Number
65–69 years	370	362	395	415	452
70–74 years	1,009	893	773	753	779
75–79 years	2,459	2,316	2,114	1,887	1,793
80 years or over	2,988	3,336	3,711	4,189	4,764
Total aged 65 years or over	6,826	6,907	6,993	7,244	7,788

Note

¹ Numbers of clients in age groups recorded in SWIFTT as receiving a Veterans' Pension at 30 June.

table A3.15 Trends in the ages of clients aged 18–59 years receiving an Emergency Benefit (used in Figure 3.21)

Age of client at 30 June	Clients aged 18–59 years receiving an Emergency Benefit ¹				
	2000 Number	2001 Number	2002 Number	2003 Number	2004 Number
18–24 years	576	591	405	558	503
25–39 years	1,948	1,784	1,193	1,343	1,240
40–49 years	1,207	1,094	759	898	843
50–59 years	1,305	1,214	815	789	809
Total aged 18–59 years	5,036	4,683	3,172	3,588	3,395

Note

¹ Numbers of clients in age groups recorded in SWIFTT as receiving an Emergency Benefit at 30 June.

table A3.16 Trends in the ages of clients aged 18 years or over receiving an Accommodation Supplement (used in Figure 4.1)

Age of client at 30 June	Clients aged 18 years or over receiving an Accommodation Supplement ¹				
	2000 Number	2001 Number	2002 Number	2003 Number	2004 Number
18–24 years	57,500	50,722	47,298	45,004	38,638
25–39 years	130,083	109,863	103,891	98,938	90,945
40–49 years	54,256	46,354	46,221	46,258	44,892
50–59 years	32,132	26,497	26,523	26,958	26,285
60 years or over	38,604	29,068	31,063	31,724	33,185
Total aged 18 years or over	312,575	262,504	254,996	248,882	233,945

Note

¹ Numbers of clients in age groups recorded in SWIFTT as receiving an Accommodation Supplement at 30 June.

table A3.17 Trends in the numbers of children aged under five years covered by a Childcare Subsidy (used in Figure 4.4)

	Children aged under five years covered by a Childcare Subsidy ¹				
	2000 Number	2001 Number	2002 Number	2003 Number	2004 Number
Total children aged under five years	28,534	27,781	26,498	25,503	24,119

Note

¹ Numbers of children aged under five years recorded in SWIFTT as being covered by a Childcare Subsidy at 30 June.

table A3.18 Trends in the ages of children aged 5–14 years covered by an OSCAR Subsidy (used in Figure 4.5)

Age of child at 30 June	Children aged 5–14 years covered by an OSCAR Subsidy ¹				
	2000 Number	2001 Number	2002 Number	2003 Number	2004 Number
5–9 years	1,428	1,631	1,534	1,529	1,727
10–14 years	297	368	347	319	384
Total aged 5–14 years	1,725	1,999	1,881	1,848	2,111

Note

1 Numbers of children in age groups recorded in SWIFTT as being covered by an OSCAR Subsidy at 30 June.

table A3.19 Trends in the ages of people covered by a Disability Allowance (used in Figure 4.7)

Age at 30 June	People covered by a Disability Allowance ^{1,2}				
	1999 Number	2000 Number	2001 Number	2002 Number	2003 Number
0–14 years	13,444	12,580	12,153	12,564	12,619
15–17 years	1,628	1,716	1,807	1,972	2,226
18–24 years	4,476	4,602	4,904	5,449	5,740
25–39 years	22,981	23,309	23,695	24,821	25,260
40–49 years	18,363	19,630	21,051	22,881	24,169
50–59 years	22,601	23,853	25,047	26,809	28,705
60 years or over	99,919	109,454	116,514	124,543	132,666
Total clients covered by a Disability Allowance	183,412	195,144	205,171	219,039	231,385

Notes

1 Includes Disability Allowances, Disability Allowances – Telephone Support, and assistance delivered under the Disability Assistance Programme.

2 Numbers of people in age groups recorded in SWIFTT as being covered by a Disability Allowance at 30 June.

table A3.20 Trends in the ages of children aged under 18 years covered by a Child Disability Allowance (used in Figure 4.9)

Age of child at 30 June	Children aged under 18 covered by a Child Disability Allowance ¹				
	2000 Number	2001 Number	2002 Number	2003 Number	2004 Number
0–4 years	4,525	4,794	5,149	6,177	7,367
5–9 years	7,191	7,363	7,947	9,010	10,360
10–14 years	6,940	7,434	8,257	9,317	10,411
15–17 years	2,072	2,036	2,317	2,749	3,221
Total children aged under 18 years	20,728	21,627	23,670	27,253	31,359

Note

1 Numbers of children in age groups recorded in SWIFTT as being covered by a Child Disability Allowance at 30 June.

table A3.21 Trends in the ages of clients aged 65 years or over receiving a Residential Care Subsidy (used in Figure 4.12)

Age of client at 30 June	Clients aged 65 years or over receiving a Residential Care Subsidy ¹				
	2000 Number	2001 Number	2002 Number	2003 Number	2004 Number
65–69 years	952	912	915	910	906
70–74 years	1,602	1,630	1,519	1,515	1,483
75–79 years	2,524	2,395	2,374	2,383	2,392
80 years or over	10,184	10,415	10,194	10,255	10,302
Total clients aged 65 years or over	15,262	15,352	15,002	15,063	15,083

Note

¹ Numbers of clients in age groups recorded in SWIFTT as receiving a Residential Care Subsidy at 30 June.

table A3.22 Trends in the ages of clients aged 18 years or over receiving a Special Benefit (used in Figure 4.13)

Age of client at 30 June	Clients aged 18 years or over receiving a Special Benefit ¹				
	2000 Number	2001 Number	2002 Number	2003 Number	2004 Number
18–24 years	618	1,027	1,314	3,886	6,038
25–39 years	4,560	5,889	7,293	16,291	23,400
40–49 years	2,729	3,167	3,997	8,313	11,881
50–59 years	1,902	2,015	2,420	4,562	6,633
60 years or over	892	922	1,176	2,270	3,400
Total clients aged 18 years or over	10,701	13,020	16,200	35,322	51,352

Note

¹ Numbers of clients in age groups recorded in SWIFTT as receiving a Special Benefit at 30 June.



MINISTRY OF SOCIAL DEVELOPMENT

Te Manatū Whakahiato Ora

ISSN 1176-3388