



MINISTRY OF SOCIAL DEVELOPMENT

Te Manatū Whakahiato Ora



THE STATISTICAL REPORT

FOR THE YEAR ENDING JUNE 2007

THE STATISTICAL REPORT

FOR THE YEAR ENDING **JUNE 2007**

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Ministry of Social Development
Bowen State Building, Bowen Street
PO Box 1556, Wellington
New Zealand

Telephone: +64 4 916 3300

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Section 1 Introduction

Introduction to *The Statistical Report*

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

This report is based on information held in the client databases of MSD's service lines, and is focused on the period since 1 July 2002. Some of the statistics presented in this report are also available for earlier years, on request from MSD's Decision Support team.

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

Structure of the report

Section 2 summarises information on the use of the financial assistance and employment services offered by MSD's Work and Income service line. Sections 3 and 4 contain more detailed information about eligibility for, and use of, the assistance provided by Work and Income. Information about the use of financial assistance provided by MSD's StudyLink service line is outlined in Section 5.

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

Conventions in this report

Focus on working aged clients

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

Naming of financial assistance

This report uses the term "main benefit" to refer to the group of benefits previously referred to as "income-tested benefits". This change in terminology reflects a new MSD reporting convention.

Throughout this report, financial assistance is referred to:

- by the official name (as at the end of June 2007) of a specific type of financial assistance (eg Domestic Purposes Benefit – Sole Parents), or
- as part of broad groups of main benefits that are delivered for similar purposes (defined in Section 3).

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

Information sources

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

Statistics shown

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

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

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

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

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

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

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

Expenditure information in the report

This report presents expenditure information which differs from official MSD expenditure data, does not reflect state sector financial reporting conventions, and should not be cited as official MSD expenditure data. These differences arise because of:

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

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

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

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

Treatment of civil unions

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

Treatment of age-related payments to older people

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

Section 2 Assistance provided by Work and Income

Benefits, pensions and hardship assistance

Types of benefits

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

- main benefits
- supplementary benefits.

Main benefits

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

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

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

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

Main benefits comprise:

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

Transitional Retirement Benefits were also main benefits until they were abolished on 1 April 2004.

Payment rates for main benefits

The standard weekly rates of main benefits are increased yearly on 1 April, to reflect change in the Consumers Price Index (CPI) over the previous year. The rates for main benefits current from 1 April 2007 are listed in table 2.1.

Please note that:

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

table
2.1**Weekly payment rates for main benefits (payable from 1 April 2007)**

Main benefit	Status ¹	Weekly payment rate ^{2,3}	
		Number of children	
		None	1 or more
Unemployment Benefit	Married, each	\$148.73	\$148.73
	Single 25+	\$178.49	
	Single 18–24	\$148.73	
	Single 18–19 (Living at Home)	\$118.98	
	Sole parent		\$255.65
Independent Youth Benefit		\$148.73	
Sickness Benefit ⁴	Married, each	\$148.73	\$148.73
	Single 25+	\$178.49	
	Single 18–24	\$148.73	
	Single 18–19 (Living at Home)	\$118.98	
	Sole parent		\$255.65
Invalid's Benefit ⁵	Married, each	\$185.92	\$185.92
	Single 18+	\$223.10	
	Single 16–17	\$180.54	
	Sole parent		\$293.08
Domestic Purposes Benefit ⁵	Sole Parent		\$255.65
	Women Alone	\$185.92	
Domestic Purposes Benefit – Care of Sick or Infirm ^{5,6}	Single 18+	\$223.10	
	Single 16–17	\$180.54	
	Sole parent	\$293.08	
	Half married rate	\$185.92	\$185.92
Emergency Maintenance Allowance	Age 16–17 (Living at Home)		\$118.98
	Age 16–17 (Away from Home)		\$255.65
	18 or over		\$255.65
Widow's Benefit ⁵		\$185.92	\$255.65

Notes

- 1 "Married" includes people who are married, living as married, or in a civil union.
- 2 Rates shown are the net amount set by regulations, and apply from 1 April 2007. Tax at the "M" rate is calculated retrospectively and paid to Inland Revenue.
- 3 Rates shown exclude Family Tax Credits. Benefit recipients with dependent children qualify for these tax credits, which are funded by Inland Revenue. See table 2.2 for rates of these tax credits.
- 4 From 1 April 2006, all clients receiving Sickness Benefits have been paid at the same rate, regardless of when benefits were granted. Prior to this date, there were some differences between rates for Sickness Benefits granted before 1 October 1998 and Sickness Benefits granted after that date.
- 5 Some recipients are paid weekly, while others are paid fortnightly at double the indicated rates.
- 6 Only the caregiver receives payment.

Supplementary benefits

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

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

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

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

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

Payment rates for supplementary benefits

Table 2.2 shows maximum weekly rates for a selection of the main supplementary benefits available. The amount actually received may vary from this, depending on the type of supplementary benefit, the costs to be covered, and the client's income.

table
2.2

Weekly payment rates for selected supplementary benefits (payable from 1 April 2007)

Supplementary benefit ¹	Status	Maximum weekly payment rate ²
Accommodation Supplement ³	Living in North and Central Auckland	\$225.00
	Living in other high cost housing areas ⁴	\$165.00
	Living in other main provincial centres ⁵	\$120.00
	Living elsewhere in New Zealand	\$75.00
Training Incentive Allowance	Maximum weekly rate (Maximum per year \$3,620.80)	\$90.52
Disability Allowance	Maximum amount	\$52.38
Child Disability Allowance	Fixed rate	\$39.47
Childcare Subsidy ⁶	Maximum amount	\$170.00
Unsupported Child's Benefit and Orphan's Benefit (per child) ⁷	Child aged 14 years or over	\$153.05
	Child aged 10–13 years	\$144.24
	Child aged 5–9 years	\$135.42
	Child aged under 5 years	\$117.76
Family Tax Credit ^{8,9}	First child or only child 15 years or under	\$82.00
	Second or subsequent child 0–12 years	\$57.00
	Second or subsequent child 13–15 years	\$65.00
	First child or only child 16 years and over	\$95.00
	Second or subsequent child 16 years or over	\$85.00

Notes

- 1 This is a selection of the more common types of supplementary benefits. These benefits may be received in combination with a pension or a main benefit, and may also be available to low-income earners.
- 2 All rates payable from 1 April 2007.
- 3 Maximum amounts of Accommodation Supplement available are subject to household circumstances and to income and asset tests. Amounts shown are payments per family of three or more people (eg two adults and one child, one adult and two children).
- 4 Includes South and West Auckland, Wellington, Tauranga, Nelson, Queenstown, Wanaka and Arrowtown.
- 5 Includes Christchurch, Hamilton, Hastings, Napier, Palmerston North and Rotorua.
- 6 Maximum amount shown is for the maximum number of subsidised hours (50) at the highest level of subsidy. The actual rate of subsidy received depends on hours subsidised and income.
- 7 Some recipients are paid weekly, while others are paid fortnightly at double the indicated rates.
- 8 Administered by Inland Revenue, but payments to Work and Income clients may be made through Work and Income. Prior to Working for Families, Inland Revenue delivered Family Support to low-income families with children.
- 9 Payments under this programme are not included in the expenditures reported in this publication. See the Inland Revenue *Annual Report* for information on expenditures under this programme.

New Zealand Superannuation and pensions

New Zealand Superannuation

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

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

Pensions

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

Veteran’s Pensions are paid by Work and Income, and are available to ex-service personnel who are:

- aged 65 years or over and qualified for a War Disablement Pension, or
- aged under 65 years and unable to work because of a disability.

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

War Disablement Pensions are paid by MSD’s Specialist Services service line. 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.

Income testing and payment rates of New Zealand Superannuation and pensions

Income testing and receipt of supplementary benefits

New Zealand Superannuation and pensions are not income tested except where:

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

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

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

Payment rates for New Zealand Superannuation and for pensions

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

Table 2.3 shows rates for New Zealand Superannuation and Veteran’s Pensions payable from 1 April 2007.

table
2.3**Weekly payment rates for New Zealand Superannuation and Veteran's Pensions
(payable from 1 April 2007)**

Status ¹	Payment rate excluding tax paid at "M" Rate ^{2,3}	Payment rate excluding tax paid at "S" Rate ^{2,3}
Married, each, both qualify	\$213.12	\$202.15
Married, each, only one qualifies ⁴	\$203.22	\$192.25
Married, each, only one qualifies, and application accepted before 1 October 1991 ⁴	\$213.12	\$202.15
Single, living alone	\$277.06	\$266.09
Single, living with others	\$255.74	\$244.77

Notes

- 1 "Married" includes people who are married, living as married, or in a civil union.
- 2 All amounts shown are weekly rates, payable from 1 April 2007. New Zealand Superannuation and Veteran's Pension payments are made fortnightly at double the indicated rates.
- 3 Rates shown are exclusive of Family Tax Credits paid by Inland Revenue.
- 4 Where one partner is a non-qualified spouse (eg they are under the qualifying age or do not meet residency requirements), the amount paid is income tested. The qualified spouse can opt to receive the "Married" rate where only one partner qualifies. Rates shown for single people or where both partners qualify are not income tested.

Hardship assistance

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

Hardship assistance may be paid as:

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

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

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

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

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

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

Registered job seekers

A registered job seeker is a person:

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

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

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

Transition to Work assistance

Transition to Work assistance helps clients meet the costs of seeking or taking up paid work. The assistance can be used for:

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

Job Search Service

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

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

Overall trends in use of financial assistance and employment services

There have been decreases since 2003 in the total numbers of (see table 2.4):

- clients receiving a main benefit
- registered job seekers.

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

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

Increases since 2003 in the number of people receiving a pension (see table 2.4) reflect the impact of ageing of the New Zealand population. This growth in the number of people aged 65 years or over resulted in New Zealand Superannuation grants each year exceeding cessations of New Zealand Superannuation over the same period.

A slight decrease over the last year in the number of people receiving one or more supplementary benefits, a Special Benefit, or Temporary Additional Support (see table 2.4) reflects a combination of:

- reductions in the number of clients receiving main benefits
- the replacement of Special Benefits by Temporary Additional Support from April 2006.

table
2.4

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

Client group and assistance received at the end of June	Clients receiving financial assistance from Work and Income or registered as job seekers ¹				
	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
All recipients of a main benefit ²	344,670	320,121	301,389	291,241	271,569
Working aged recipients of a main benefit ²	334,173	309,360	290,466	280,299	261,009
All registered job seekers	144,576	107,590	83,633	77,470	60,182
Working aged registered job seekers	141,200	104,360	80,869	75,020	58,090
Pension recipients ^{3,4}	465,150	473,089	484,086	498,297	512,782
Recipients of one or more supplementary benefits, a Special Benefit or Temporary Additional Support ^{5,6}	442,801	437,473	450,002	464,017	462,795

Notes

- 1 Numbers of clients recorded in SWIFTT or SOLO as receiving assistance from Work and Income at the end of June.
- 2 All counts of recipients of main benefits in this report exclude partners, spouses and children of people receiving main benefits.
- 3 All counts of pension recipients in this report include qualified recipients and non-qualified spouses receiving pensions, but exclude other dependants.
- 4 All counts of pension recipients in this report exclude recipients of War Disablement Pensions. This is to avoid double counting of people receiving both a War Disablement Pension and another benefit or pension.
- 5 Includes some clients receiving one or more supplementary benefits as well as Temporary Additional Support or a Special Benefit. Also includes some clients receiving only an Unsupported Child's Benefit or an Orphan's Benefit.
- 6 These clients may be receiving a pension or a main benefit, or may have a low income from paid employment or from some other source.

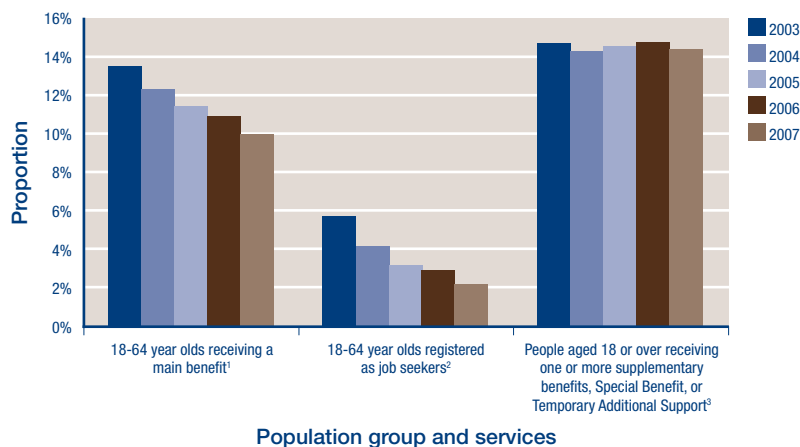
Trends in the proportions of the New Zealand population receiving financial assistance or employment services from Work and Income

Decreases since 2003 in the proportions of working aged people in the New Zealand population who are receiving a main benefit and who are registered as job seekers (see figure 2.1) reflect the economic, policy, operational and demographic factors outlined above.

Over the same period, around 14% of people aged 18 years or over have been receiving one or more supplementary benefits, a Special Benefit, or Temporary Additional Support (see figure 2.1).

figure
2.1

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



Notes

- 1 Proportion shows:
 - a numbers of 18–64 year olds recorded in SWIFTT as receiving a main benefit at the end of June, divided by
 - b Statistics New Zealand final estimate of the resident population aged 18–64 years at the end of June.
- 2 Proportion shows:
 - a numbers of 18–64 year olds registered in SOLO as job seekers at the end of June, divided by
 - b Statistics New Zealand final estimate of the resident population aged 18–64 years at the end of June.
- 3 Proportion shows:
 - a numbers of people aged 18 years or over recorded in SWIFTT as receiving one or more supplementary benefits (including an Unsupported Child's Benefit or an Orphan's Benefit), a Special Benefit or Temporary Additional Support at the end of June, divided by
 - b Statistics New Zealand final estimate of the resident population aged 18 years or over at the end of June.

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

Since 2003, around 94% of people aged 65 years or over have been receiving New Zealand Superannuation or a Veteran's Pension.

Summary information on use of main benefits

Trends in the number of clients receiving a main benefit

Decreases since 2003 in the number of recipients of main benefits (see table 2.5) reflect the combination of economic changes, demographic changes, policy changes and operational factors outlined above. Of the working aged recipients of main benefits over this period, between 34% and 37% were aged 25–39 years, while between 27% and 31% were aged 40–54 years.

table
2.5

Trends in the ages of recipients of a main benefit

	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
Age of client at the end of June	Working aged clients receiving a main benefit¹				
18–19 years	16,438	13,508	11,763	11,042	9,502
20–24 years	42,854	36,590	33,123	31,352	28,424
25–29 years	39,776	35,878	32,900	31,419	28,378
30–34 years	42,208	38,506	34,911	32,458	28,761
35–39 years	40,623	37,762	35,805	34,483	31,819
40–44 years	37,434	35,774	34,154	33,035	30,581
45–49 years	28,934	28,018	27,511	27,937	27,430
50–54 years	24,981	24,399	23,946	23,884	23,599
55–59 years	27,268	26,265	25,351	25,099	23,962
60–64 years	33,657	32,660	31,002	29,590	28,553
Total working aged clients	334,173	309,360	290,466	280,299	261,009
	Other clients receiving a main benefit¹				
Total other clients	10,497	10,761	10,923	10,942	10,560
	All clients receiving a main benefit¹				
Total	344,670	320,121	301,389	291,241	271,569

Note

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

Since 2003, the proportion of working aged recipients of main benefits who were receiving an unemployment-related benefit has decreased from 31% to 11%, while the proportions receiving carer's benefits, sickness-related benefits and Invalid's Benefits each increased (see table 2.6). These changes in use of different types of main benefits reflect in part the economic, demographic and other changes outlined earlier.

Over the same period, the proportion of these clients who had received their benefit for over two years increased (from 49% to 56%) (see table 2.7). This reflects the higher proportion of recipients of main benefits who are receiving longer-term benefits such as Invalid's Benefit or carer's benefits.

table
2.6

Trends in the types of main benefit received by working aged clients

Type of main benefit received at the end of June	Working aged clients receiving a main benefit ¹				
	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
Unemployment-related benefits ²	103,867	73,572	55,342	45,498	29,488
Carer's benefits ³	108,690	108,893	105,647	101,641	96,467
Sickness-related benefits ⁴	39,490	43,698	45,176	47,072	48,063
Invalid's Benefit	67,130	70,807	73,186	75,349	77,301
Widow's Benefit	8,526	8,261	7,637	7,001	6,287
Transitional Retirement Benefit ⁵	2,094	0	0	0	0
Emergency Benefit	4,376	4,129	3,478	3,738	3,403
Total	334,173	309,360	290,466	280,299	261,009

Notes

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

table
2.7

Trends in the length of current spells receiving a main benefit, for working aged clients

Length of current spell at the end of June	Working aged clients receiving a main benefit ¹				
	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
Under 6 months	73,918	65,082	57,632	55,658	48,230
6 months – 2 years	97,315	84,477	79,764	75,070	67,869
2–4 years	57,848	55,720	52,118	50,530	48,466
Over 4 years	105,092	104,081	100,952	99,041	96,444
Total	334,173	309,360	290,466	280,299	261,009

Note

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

Since 2003, around 46% of working aged recipients of main benefits have identified as New Zealand European, and around 31% as Māori (see table 2.8).

table
2.8

Trends in the ethnicity of working aged recipients of a main benefit

Recorded ethnicity at the end of June	Working aged clients receiving a main benefit ¹				
	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
Māori	101,359	94,714	89,822	87,003	81,189
Pacific peoples	24,614	22,903	21,526	20,853	19,476
Other ethnic groups	45,683	42,161	39,131	37,276	34,940
New Zealand European	158,351	144,890	135,224	130,259	120,390
Not coded	4,166	4,692	4,763	4,908	5,014
Total	334,173	309,360	290,466	280,299	261,009

Note

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

Trends in main benefits granted

Decreases since 2002/2003 in the number of main benefits granted (see table 2.9) reflect a mix of improved economic conditions, and changes in Government policies and operational practices. Over this period, around 39% of the working aged clients granted these benefits had not received a main benefit in the previous 12 months, while around 28% had transferred from another benefit or district (see table 2.9).

table
2.9

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

	2002/2003 Number	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number
Period since client last received any main benefit	Working aged clients granted a main benefit¹				
None (clients transferring between benefits or districts, or transferring from the same type of benefit) ^{2,3}	70,309	69,348	61,276	56,342	55,322
Under 6 months	48,635	44,724	41,253	37,241	34,398
6–12 months	40,247	35,491	32,419	28,313	24,044
12–18 months	12,532	11,136	10,696	10,682	8,873
18 months – 2 years	9,918	8,893	8,120	8,281	7,049
2–4 years	17,736	16,765	15,250	15,960	14,580
Had not received a main benefit in previous four years	64,306	55,126	49,477	49,309	46,195
Total main benefits granted to working aged clients	263,683	241,483	218,491	206,128	190,461
	Other clients granted a main benefit¹				
Main benefits granted to other clients	8,855	8,760	8,808	8,111	7,291
	All clients granted a main benefit¹				
Total	272,538	250,243	227,299	214,239	197,752

Notes

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

Over this period, unemployment-related benefits accounted for a decreasing proportion of main benefits granted to working aged clients (47% in 2006/2007, compared with 61% in 2002/2003), while the proportions accounted for by sickness-related benefits increased (see table 2.10). These changes reflect patterns in benefit use.

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

Type of main benefit granted	Main benefits granted to working aged clients ¹				
	2002/2003 Number	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number
Unemployment-related benefits ²	161,841	134,572	115,508	103,945	88,642
Carer's benefits ³	36,782	36,604	35,304	34,142	33,471
Sickness-related benefits ⁴	43,343	47,663	47,259	47,517	48,666
Invalid's Benefit	10,562	11,044	10,898	10,841	11,074
Widow's Benefit	2,123	1,981	1,953	1,780	1,593
Transitional Retirement Benefit ⁵	2,977	1,242	0	0	0
Emergency Benefit	6,055	8,377	7,569	7,903	7,015
Total	263,683	241,483	218,491	206,128	190,461

Notes

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

Trends in main benefits cancelled

Reductions since 2002/2003 in the number of main benefits cancelled each year (see table 2.12) reflect the reduction in total numbers receiving a main benefit. Over this period around 36% of the working aged clients cancelling main benefits had entered paid work, while around 27% had transferred to another benefit, pension or district (see table 2.11).

table
2.11**Trends in reasons for clients cancelling main benefits**

Reason main benefit cancelled	2002/2003 Number	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number
		Main benefits cancelled by working aged clients¹			
Obtained paid work ²	97,794	94,983	88,413	75,591	74,514
Transferred to another benefit, pension or district ^{3,4}	73,216	71,092	61,885	57,639	56,603
Other ²	104,011	101,691	89,520	81,158	79,985
Total main benefits cancelled by working aged clients	275,021	267,766	239,818	214,388	211,102
	Main benefits cancelled by other clients¹				
Other clients	8,422	9,220	9,508	8,685	8,326
	Main benefits cancelled by all clients¹				
Total	283,443	276,986	249,326	223,073	219,428

Note

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

Fifty-one percent of main benefits cancelled by working aged clients in 2006/2007 were unemployment-related, compared with 66% in 2002/2003. There was a corresponding increase spread across carer's benefits and sickness-related benefits (see table 2.12). These changes reflect patterns in benefit use.

table
2.12

Trends in the types of main benefit cancelled by working aged clients

Type of main benefit cancelled	Main benefits cancelled by working aged clients ¹				
	2002/2003 Number	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number
Unemployment-related benefits ²	180,279	167,674	137,069	113,315	106,827
Carer's benefits ³	36,690	37,627	38,960	38,698	39,273
Sickness-related benefits ⁴	39,905	42,608	45,219	44,742	47,254
Invalid's Benefit	6,389	7,158	7,961	8,082	8,454
Widow's Benefit	2,201	2,138	2,189	2,094	1,996
Transitional Retirement Benefit ⁵	4,331	2,352	0	0	0
Emergency Benefit	5,226	8,209	8,420	7,457	7,298
Total	275,021	267,766	239,818	214,388	211,102

Notes

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

Trends in expenditure on pensions and main benefits

Please note that expenditure data provided in table 2.13 and table 2.14 excludes expenditure on supplementary benefits paid to recipients of the main benefit shown, while expenditure data provided in Sections 3 and 7 of this report includes it.

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

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

This aims to ensure a consistent series over time for expenditure on unemployment-related benefits. Numbers of clients receiving, granted or ceasing unemployment-related benefits provided earlier, however, exclude information about the use of the Emergency Benefit and the Emergency Unemployment Benefit. Use of these benefits is reported under the heading "Emergency Benefits" in this report.

Expenditure on main benefits has decreased since 2002/2003, although the rate of decrease has slowed in recent years (see table 2.13). This trend reflects changes in both the use of main benefits and the levels at which main benefits are paid.

Twenty-nine percent of the total expenditure on main benefits in 2006/2007 was on Invalid's Benefits, and another 15% on sickness-related benefits. This compares with 23% and 11% respectively in 2003/2004. Over the same period, the proportion of main benefit expenditure accounted for by (see table 2.13):

- unemployment-related benefits decreased from 27% to 16%
- carer's benefits was around 37%.

Increases since 2002/2003 in annual pension expenditure (see table 2.13) reflect both increases in the number of clients receiving pensions and adjustments to the rate at which pensions are paid. Over this period, New Zealand Superannuation has accounted for virtually all expenditure on pensions (see table 2.13).

table
2.13

Trends in expenditure on pensions and main benefits

Type of pension or main benefit	Expenditure on pensions and main benefits ^{1,2,3}				
	2002/2003 Amount (\$m)	2003/2004 Amount (\$m)	2004/2005 Amount (\$m)	2005/2006 Amount (\$m)	2006/2007 Amount (\$m)
Unemployment-related benefits and Emergency Benefit ^{4,6}	1,102	939	721	618	531
Carer's benefits ^{4,7}	1,260	1,303	1,283	1,238	1,216
Sickness-related benefits ^{4,8}	356	398	431	457	483
Invalid's Benefit ⁴	766	817	858	897	945
Widow's Benefit ⁴	79	78	74	69	65
Transitional Retirement Benefit ^{4,9}	40	9	0	0	0
Total expenditure on main benefits ⁴	3,603	3,543	3,368	3,279	3,240
New Zealand Superannuation ⁵	4,644	4,837	4,984	5,232	5,542
Veteran's Pension ⁵	84	91	98	105	118
Total pensions expenditure ⁵	4,728	4,928	5,083	5,337	5,661
Total expenditure on main benefits and pensions	8,331	8,471	8,450	8,617	8,900

Notes

- 1 Expenditure for years ended June. Expenditure shown is calculated on an accrual basis and excludes debts established.
- 2 Expenditure data in this table differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.
- 3 Figures shown may not add to the totals provided because of rounding.
- 4 Expenditure on main benefits excludes tax paid on these benefits, and excludes supplementary benefits provided to recipients of a main benefit.
- 5 Expenditure on pensions excludes tax estimated at the "M" tax rate, and excludes supplementary benefits provided to pension recipients. Expenditure on pensions paid to recipients living in the United Kingdom is also excluded.
- 6 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.
- 7 Includes Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefit – Women Alone, and Emergency Maintenance Allowances.
- 8 Includes Sickness Benefits and Sickness Benefits – Hardship.
- 9 This benefit was abolished on 1 April 2004.

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

The proportion of Gross Domestic Product (GDP) accounted for by expenditure on pensions and main benefits has decreased since 2002/2003, although the rate of decrease has slowed in the last two years (see table 2.14). This reflects slowing decreases in expenditure on main benefits and ongoing increases in expenditure on pensions during a period when GDP was expanding yearly.

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

Type of expenditure	Expenditure on pensions and main benefits ^{1,2,3}				
	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007
Total expenditure on main benefits (\$m) ⁴	3,603	3,543	3,368	3,279	3,240
Total expenditure on pensions (\$m) ⁵	4,728	4,928	5,083	5,337	5,661
Total expenditure on pensions and main benefits (\$m)	8,331	8,471	8,450	8,617	8,900
Gross Domestic Product (\$m) ⁶	132,730	142,746	150,990	157,325	166,714
Expenditure on main benefits as a percentage of Gross Domestic Product ^{3,7}	2.7%	2.5%	2.2%	2.1%	1.9%
Expenditure on pensions as a percentage of Gross Domestic Product ^{3,7}	3.6%	3.5%	3.4%	3.4%	3.4%
Percentage of Gross Domestic Product ⁷	6.3%	5.9%	5.6%	5.5%	5.3%

Notes

- 1 Expenditure on pensions and main benefits for years ended June. Expenditure shown is calculated on an accrual basis and excludes debts established.
- 2 Expenditure data in this table differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.
- 3 Figures shown may not add to the totals provided because of rounding.
- 4 Excludes tax paid on main benefits, and excludes expenditure on supplementary benefits provided to recipients of main benefits.
- 5 Excludes tax estimated at the "M" tax rate, excludes expenditure on supplementary benefits provided to pension recipients, and excludes expenditure on pensions paid to recipients in the United Kingdom.
- 6 Expenditure on Gross Domestic Product in actual current prices (Statistics New Zealand series SNC-S1NB15). Statistics provided include all revisions as at release of June 2007 quarter data. Value shown is sum of quarters ended September to June.
- 7 Total combined expenditure on pensions and main benefits for years ended June as a percentage of Gross Domestic Product in years ended June.

Trends in the distribution of main benefit expenditure among client groups

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

Of annual expenditure on main benefits since 2003/2004:

- between 45% and 48% was accounted for by clients aged 40–64 years, while between 35% and 38% was accounted for by clients aged 25–39 years (see table 2.15)
- around 65% was accounted for by women (see table 2.16)
- around 44% was accounted for by New Zealand Europeans, and around 31% by Māori (see table 2.17).

table
2.15

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

	2002/2003 Percent	2003/2004 Percent	2004/2005 Percent	2005/2006 Percent	2006/2007 Percent
Age of client when payment made	Percentage of expenditure on main benefits paid to working aged clients^{1,2}				
18–19 years	3.7%	3.5%	3.3%	3.3%	3.2%
20–24 years	11.6%	11.2%	10.7%	10.6%	10.4%
25–29 years	12.2%	11.9%	11.5%	11.3%	11.1%
30–39 years	26.0%	25.7%	25.2%	24.4%	23.8%
40–49 years	19.5%	20.1%	20.7%	21.1%	21.5%
50–59 years	14.8%	15.3%	15.8%	16.3%	16.7%
60–64 years	9.5%	9.4%	9.6%	9.6%	9.7%
Total working aged clients	97.3%	97.1%	96.8%	96.6%	96.5%
	Percentage of expenditure on main benefits paid to other clients^{1,2}				
Total other clients	2.7%	2.9%	3.2%	3.4%	3.5%
	Percentage of expenditure on main benefits paid to all clients^{1,2}				
Total all clients	100.0%	100.0%	100.0%	100.0%	100.0%

Notes

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

table
2.16

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

Gender of client	Percentage of expenditure on main benefits^{1,2}				
	2002/2003 Percent	2003/2004 Percent	2004/2005 Percent	2005/2006 Percent	2006/2007 Percent
Female	62.9%	64.0%	65.1%	64.9%	64.7%
Male	37.1%	36.0%	34.9%	35.1%	35.3%
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 main benefits in years ended June. Due to rounding, percentage figures may not add to the totals indicated.
- 2 Excludes tax paid on main benefits, and excludes expenditure on supplementary benefits provided to clients receiving a main benefit.

table
2.17

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

Ethnic group client identifies with at end of year shown	Percentage of expenditure on main benefits^{1,2}				
	2002/2003 Percent	2003/2004 Percent	2004/2005 Percent	2005/2006 Percent	2006/2007 Percent
Māori	30.2%	30.5%	30.7%	31.0%	31.0%
Pacific peoples	7.8%	7.8%	7.9%	7.9%	8.0%
Other ethnic groups	15.3%	15.2%	15.3%	15.1%	15.2%
New Zealand European	46.0%	45.3%	44.7%	44.7%	44.1%
Unspecified	0.8%	1.2%	1.5%	1.4%	1.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Notes

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

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

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

Decreases since 2003 in the number of children dependent on recipients of a main benefit (see table 2.18) reflect decreases in numbers receiving main benefits. Of the children dependent on working aged benefit recipients over this period, around 82% have been aged under 14 years, including around 30% aged under five years (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 recipients of a main benefit

	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
Age of child at the end of June	Children dependent on working aged recipients of a main benefit¹				
0–4 years	76,913	74,540	70,248	66,478	63,122
5–9 years	77,220	74,119	69,876	65,579	59,808
10–13 years	56,932	54,253	51,230	48,018	43,777
14–17 years	40,436	40,925	40,326	39,522	36,914
18–19 years	1,593	1,619	1,648	1,747	1,703
20 years or over	1	0	0	0	0
Unspecified	0	0	0	0	0
Total children dependent on working aged clients	253,095	245,456	233,328	221,344	205,324
	Children dependent on other recipients of a main benefit¹				
Total children dependent on other clients	1,144	1,144	1,147	1,171	1,070
	All children dependent on recipients of a main benefit¹				
Total children dependent on recipients of main benefits	254,239	246,600	234,475	222,515	206,394

Note

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

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

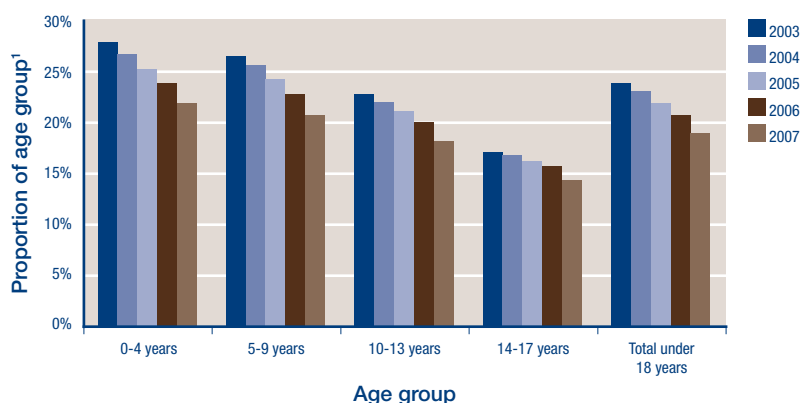
Decreases since 2003 in the proportion of all children in New Zealand aged under 18 years who were dependent on recipients of a main benefit (see figure 2.2) reflect:

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

Since 2003, the likelihood of children aged under 18 years being dependent on recipients of a main benefit has decreased slightly for each age group (see figure 2.2).

figure
2.2

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



Note

- 1 Proportion shows:
 - a numbers of children in age group identified as dependent on people recorded in SWIFTT as receiving a main benefit at the end of June, divided by
 - b Statistics New Zealand final estimate of the resident population in age group at the end of June.

See table 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 2003 in the number of children dependent on registered job seekers (see table 2.19) reflect decreases in the number of job seekers. Of the children dependent on working aged job seekers since 2004, around 78% have been aged under 14 years, including around 25% who are aged under five years (see table 2.19). By law, children aged under 14 require supervision at all times.

table
2.19

Trends in the ages of children dependent on registered job seekers

	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
Age of child at the end of June	Children dependent on working aged job seekers^{1,2}				
0-4 years	16,585	13,757	10,749	9,790	7,618
5-9 years	22,364	15,789	11,594	11,039	8,516
10-13 years	21,045	13,774	9,724	9,057	7,157
14-17 years	16,133	11,223	8,218	8,043	6,789
18-19 years	709	492	407	427	363
20 years or over	1	0	0	0	0
Total children dependent on working aged job seekers	76,837	55,035	40,692	38,356	30,443
	Children dependent on other job seekers^{1,2}				
Total children dependent on other job seekers	69	66	54	58	53
	All children dependent on job seekers^{1,2}				
Total children dependent on job seekers	76,906	55,101	40,746	38,414	30,496

Notes

- 1 Information on numbers and ages of dependent children is only available for job seekers who were also receiving financial assistance from Work and Income. Between 2003 and 2007, the proportion of registered job seekers receiving such assistance has decreased markedly, although it remains a significant majority of registered job seekers.
- 2 Numbers of children dependent on job seekers registered in SOLO at the end of June.

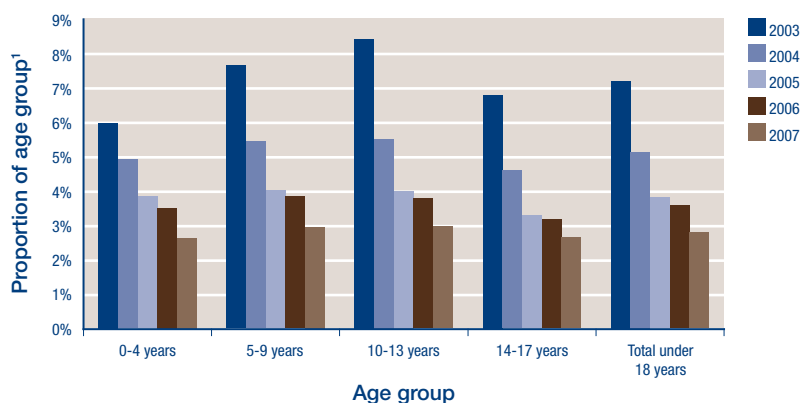
Trends in the proportion of all children aged under 18 years dependent on registered job seekers

Decreases since 2003 in the proportion of all children in New Zealand aged under 18 years who were dependent on registered job seekers (see figure 2.3) largely reflect decreases in the numbers of job seekers.

Since 2003, children aged 5–13 years have been more likely than children aged under five years or children aged 14–17 years to be dependent on registered job seekers. Lower proportions of 0–4 year olds dependent on job seekers reflect at least in part the difficulty people with dependent children aged under five years have in meeting the eligibility criteria for registration as a job seeker (eg availability for work), while lower proportions of 14–17 year olds appear to reflect in part the greater ease of obtaining work without facing the requirement to provide supervision of children aged under 14 years.

figure
2.3

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



Notes

- 1 Information on numbers and ages of dependent children is only available for job seekers who were also receiving financial assistance from Work and Income. Between 2003 and 2007, the proportion of registered job seekers receiving such assistance has decreased markedly, although it remains a significant majority of registered job seekers.
- 2 Proportion shows:
 - a numbers of children in age group identified as dependent on job seekers registered in SOLO at the end of June, divided by
 - b Statistics New Zealand final estimate of the resident population in age group at the end of June.

See table A3.3 (Appendix 3) for a summary of the SWIFTT data underlying figure 2.3.

Other income declared by recipients of a main benefit

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

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

The assessment period for the income test is:

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

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

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

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

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

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

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

Trends in the number of recipients of a main benefit who declared other income

Decreases since 2003 in the number of recipients of main benefits who declared other income (see table 2.20) reflect decreases in the number of main benefit recipients. Over this period, around 21% of working aged recipients of main benefits have declared other income, with between 62% and 65% of those clients declaring income of over \$80 per week before tax (see table 2.20).

table
2.20

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

	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
Level of other income declared¹	Working aged recipients of a main benefit²				
Total working aged clients not declaring income	262,407	243,294	227,146	221,793	207,365
Income declared ³					
\$1.00 – \$39.99	14,305	12,787	11,618	10,632	9,565
\$40.00 – \$79.99	13,167	11,918	11,055	10,255	9,451
\$80.00 – \$119.99	14,991	13,605	13,468	12,548	11,233
\$120.00 – \$159.99	8,270	7,484	7,306	6,947	6,195
\$160.00 – \$179.99	3,325	3,022	2,868	2,714	2,575
\$180.00 – \$199.99	3,045	2,852	2,811	2,610	2,548
\$200.00 or over	14,663	14,398	14,194	12,800	12,077
Total working aged clients declaring income ³	71,766	66,066	63,320	58,506	53,644
Total working aged recipients	334,173	309,360	290,466	280,299	261,009
	Other recipients of a main benefit²				
Other clients declaring income ³	1,002	1,143	1,330	1,391	1,436
Other clients not declaring income	9,495	9,618	9,593	9,551	9,124
Total other clients	10,497	10,761	10,923	10,942	10,560
	All recipients of a main benefit²				
Total recipients of main benefits	344,670	320,121	301,389	291,241	271,569

Notes

- 1 Income per week before tax; based on last declaration effective in the year ended June. The income declarations referred to here may include income received over part or all of the year ended June, and may also include income received over parts of earlier or later years.
- 2 Numbers of clients recorded in SWIFT as receiving a main benefit at the end of June.
- 3 Numbers of recipients of a main benefit with one or more income declarations effective in the year ended June.

Since 2003, the proportion of these benefit recipients who were receiving an unemployment-related benefit has decreased (from 27% to 9%), while the proportions receiving carer's benefits, sickness-related benefits and Invalid's Benefits have each increased (see table 2.21). These changes reflect patterns in benefit use.

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

Type of main benefit received when income declared ¹	Working aged recipients of a main benefit who declared other income ²				
	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
Unemployment-related benefits ³	19,074	13,889	10,189	7,725	5,032
Carer's benefits ⁴	26,415	26,068	26,229	23,753	21,790
Sickness-related benefits ⁵	5,558	6,117	6,551	6,550	6,598
Invalid's Benefit	15,189	15,592	16,389	16,784	16,935
Widow's Benefit	3,995	3,942	3,589	3,298	2,901
Transitional Retirement Benefit ⁶	1,093	0	0	0	0
Emergency Benefit	442	458	373	396	388
Total	71,766	66,066	63,320	58,506	53,644

Notes

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

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

Introduction

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

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

Unemployment-related benefits

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

Between 1 October 1998 and 30 June 2001:

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

Clients receiving an unemployment-related benefit are subject to a full-time work test, with most being registered as job seekers. Between 1 April 1997 and the end of the period covered in this report, the spouses or partners of clients receiving an unemployment-related benefit were also been subject to a full-time work test if:

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

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

Between 1 February 1999 and the end of the period covered by this report, the spouses or partners of recipients of an unemployment-related benefit whose dependent children were aged under 14 years were subject to:

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

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

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

Eligibility for unemployment-related benefits

Unemployment Benefit

An Unemployment Benefit is available to people who are:

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

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

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

From 8 December 2003, clients aged 55–59 years applying for an Unemployment Benefit could no longer receive a work-test exemption. Unemployment Benefit recipients previously exempted from the work test through being aged 55–59 years had this exemption removed from January 2004, unless they would have turned 60 years of age by 31 July 2004.

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

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

Income and residency qualifications apply.

Unemployment Benefit – Hardship

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

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

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

Independent Youth Benefit

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

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

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

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

Decreases since 2003 in the number of clients receiving an unemployment-related benefit (see table 3.1) reflect improved economic conditions combined with policy and operational changes, as outlined in Section 2. Over this period, virtually all recipients of these benefits have been working aged clients (see table 3.1), with most of the remainder aged under 18 years and receiving an Independent Youth Benefit.

Since 2003, around 31% of working aged recipients of these benefits have been aged 25–39 years, while around 22% have been aged 40–54 years (see table 3.1). Over this period, there have been increases in the proportion of these benefit recipients who:

- were receiving a benefit paid to people in training (from 4% to 21%) (see table 3.2)
- had received their benefit for less than six months (from 37% to 48%) (see table 3.3).

table
3.1

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

	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
Age of client at the end of June	Working aged clients receiving an unemployment-related benefit^{1,2}				
18–19 years	10,817	7,574	5,630	4,550	2,787
20–24 years	19,058	12,695	9,651	7,587	4,713
25–29 years	12,626	8,676	6,578	5,627	3,456
30–34 years	10,747	7,284	5,367	4,545	2,904
35–39 years	9,063	6,235	4,819	4,106	2,789
40–44 years	8,546	5,821	4,312	3,706	2,507
45–49 years	7,290	5,090	3,875	3,385	2,342
50–54 years	6,452	4,510	3,347	2,816	1,931
55–59 years	8,379	5,161	3,398	2,735	1,716
60–64 years	10,889	10,526	8,365	6,441	4,343
Total working aged clients	103,867	73,572	55,342	45,498	29,488
	Other clients receiving an unemployment-related benefit^{1,2}				
Total other clients	3,602	3,193	2,497	1,930	1,437
	All clients receiving an unemployment-related benefit^{1,2}				
Total all clients	107,469	76,765	57,839	47,428	30,925

Notes

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

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

Type of unemployment-related benefit received at the end of June	Working aged clients receiving an unemployment-related benefit ¹				
	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people	99,327	68,755	50,714	39,752	23,159
Unemployment Benefits and Unemployment Benefits – Hardship paid to people in training	4,285	4,469	4,364	5,566	6,099
Unemployment Benefit – Hardship paid to students	165	230	167	115	139
Independent Youth Benefit	90	118	97	65	91
Total	103,867	73,572	55,342	45,498	29,488

Note

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

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

Length of current spell to the end of June	Working aged clients receiving an unemployment-related benefit ^{1,2}				
	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
Under 6 months	38,306	28,669	23,810	21,374	14,096
6 months – 2 years	36,300	23,256	17,510	14,875	9,142
2–4 years	14,330	10,048	6,243	4,063	3,109
Over 4 years	14,931	11,599	7,779	5,186	3,141
Total	103,867	73,572	55,342	45,498	29,488

Notes

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

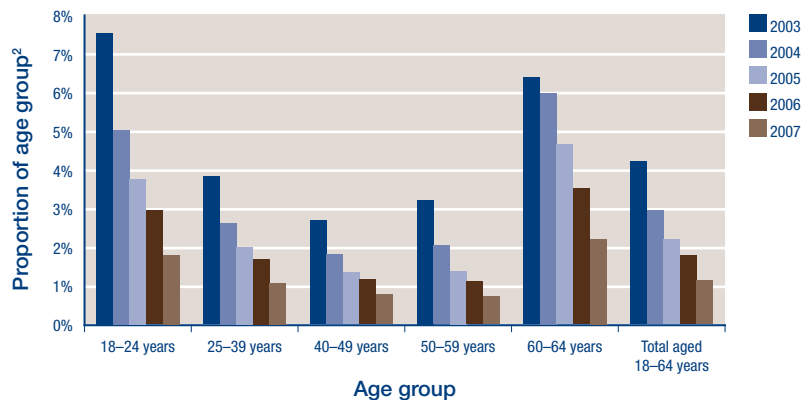
2 Numbers of working aged clients recorded in SWIFTT as receiving an unemployment-related benefit at the end of June.

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

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

The proportion of all working aged people in the New Zealand population who were receiving an unemployment-related benefit has decreased since 2003 (see figure 3.1). This reflects the economic, policy and operational factors outlined earlier.

Since 2003, 18–24 year olds and 60–64 year olds have been more likely than other age groups to be receiving an unemployment-related benefit. This reflects in part the relative difficulty encountered by 18–24 year olds in making an initial transition into the labour market, and by 60–64 year olds in obtaining and retaining paid work.

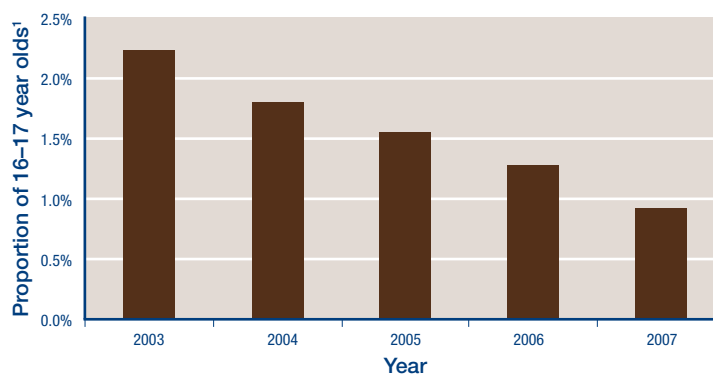
figure
3.1**Trends in the proportion of working aged people receiving an unemployment-related benefit,¹ by age****Notes**

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

See table A3.4 (Appendix 3) for a summary of the SWIFTT data underlying figure 3.1.

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

Decreases since 2003 in the proportion of all 16 and 17 year olds in the New Zealand population who were receiving an Independent Youth Benefit (see figure 3.2) reflect the economic, policy and operational factors outlined earlier.

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

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

See table A3.5 (Appendix 3) for a summary of the SWIFTT data underlying figure 3.2.

Trends in unemployment-related benefits granted

Decreases since 2002/2003 in the numbers of unemployment-related benefits granted (see table 3.4) reflect both improved economic conditions and the impact of the operational and policy changes outlined above. Over this period, virtually all of these benefits were granted to working aged clients (see table 3.4). A large majority of the remainder were Independent Youth Benefits granted to 16–17 year olds.

Since 2002/2003, the proportion of working aged clients granted these benefits who had received a main benefit in the previous 12 months has decreased (from 39% to 34%). The proportion of these clients who had transferred between benefits or districts rose over the same period (from 20% to 27%) (see table 3.4).

table
3.4

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

	2002/2003 Number	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number
Period since client last received any main benefit	Unemployment-related benefits granted to working aged clients^{1,2}				
None (clients transferring between benefits or districts, or transferring from the same type of benefit) ^{3,4}	31,679	30,030	27,451	25,406	24,299
Under 6 months	31,806	25,996	22,329	18,461	15,576
6–12 months	31,709	26,201	22,462	18,339	14,601
12–18 months	7,903	6,322	5,616	5,215	3,923
18 months – 2 years	6,629	5,376	4,576	4,514	3,445
2–4 years	10,745	8,985	7,406	7,641	4,514
Had not received a main benefit in previous 4 years	41,370	31,662	25,668	24,369	20,524
Total granted to working aged clients	161,841	134,572	115,508	103,945	88,642
	Unemployment-related benefits granted to other clients^{1,2}				
Total granted to other clients	5,239	4,878	4,375	3,743	3,030
	Total unemployment-related benefits^{1,2}				
Total	167,080	139,450	119,883	107,688	91,672

Notes

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

Since 2002/2003, the proportion of these clients who were unemployed (rather than being in training or students in hardship) decreased (from 81% to 74%) (see table 3.5).

table
3.5

Trends in the types of unemployment-related benefit granted to working aged clients

Type of unemployment-related benefit granted	Unemployment-related benefits granted to working aged clients ¹				
	2002/2003 Number	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number
Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people	131,613	105,594	90,790	80,941	65,736
Unemployment Benefits and Unemployment Benefits – Hardship paid to people in training	9,711	10,024	9,268	10,210	11,965
Unemployment Benefit – Hardship paid to students	20,514	18,954	15,450	12,794	10,941
Independent Youth Benefit	3	0	0	0	0
Total	161,841	134,572	115,508	103,945	88,642

Note

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

Trends in cancellations of unemployment-related benefits

Decreases since 2002/2003 in the number of unemployment-related benefits cancelled (see table 3.6) reflect decreases in the use of these benefits. Virtually all of these cancellations were by working aged clients (see table 3.6), with a large majority of the remainder being Independent Youth Benefits cancelled by 16–17 year olds.

Of the working aged clients cancelling unemployment-related benefits over this period, between 41% and 45% were entering paid work, while between 33% and 37% transferred to another benefit, pension or district (see table 3.6).

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

	2002/2003 Number	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number
Reason for cancellation	Unemployment-related benefits cancelled by working aged clients^{1,2}				
Obtained paid work ³	77,797	71,893	61,611	48,144	43,606
Transferred to another benefit, pension or district ^{4,5}	36,536	36,269	29,939	27,569	27,826
Other ³	65,946	59,512	45,519	37,602	35,395
Total cancelled by working aged clients	180,279	167,674	137,069	113,315	106,827
	Unemployment-related benefits cancelled by other clients^{1,2}				
Total cancelled by other clients	3,912	4,962	5,450	4,490	3,662
	Total unemployment-related benefits cancelled^{1,2}				
Total	184,191	172,636	142,519	117,805	110,489

Notes

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

Over this period, around 81% of these clients cancelled Unemployment Benefits or Unemployment Benefits – Hardship (see table 3.7).

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

Type of unemployment-related benefit cancelled	Unemployment-related benefits cancelled by working aged clients¹				
	2002/2003 Number	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number
Unemployment Benefits or Unemployment Benefits – Hardship paid to unemployed people	148,352	137,976	111,441	90,822	83,991
Unemployment Benefits or Unemployment Benefits – Hardship paid to people in training	9,477	9,823	9,430	8,845	11,227
Unemployment Benefit – Hardship paid to students	20,642	18,956	15,387	12,895	10,971
Independent Youth Benefit	1,808	919	811	753	638
Total	180,279	167,674	137,069	113,315	106,827

Note

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

Trends in expenditure on unemployment-related benefits and Emergency Benefitsⁱ

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

table
3.8

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

Year ended June	Expenditure on unemployment-related benefits and Emergency Benefits ^{2,3,4} (\$m)
1995/1996	1,430
1996/1997	1,517
1997/1998	1,652
1998/1999	1,766
1999/2000	1,766
2000/2001	1,662
2001/2002	1,544
2002/2003	1,408
2003/2004	1,228
2004/2005	960
2005/2006	819
2006/2007	703

Notes

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

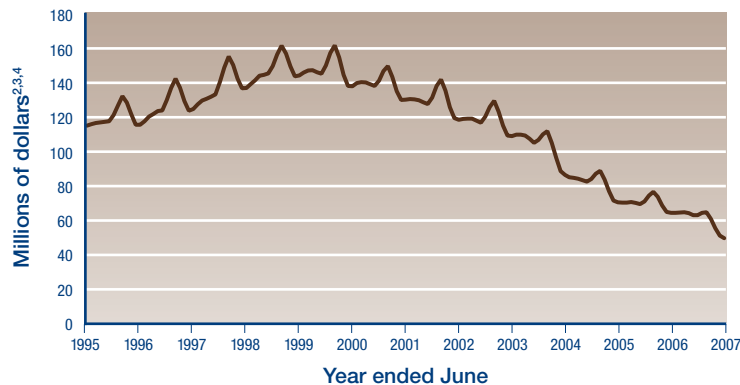
Monthly expenditure on unemployment-related benefits and Emergency Benefits shows strong seasonal increases over the summer months and weaker seasonal increases during winter (see figure 3.3). These patterns reflect seasonal increases in demand for these benefits from:

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

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

figure
3.3

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



Notes

- 1 Unemployment-related benefits include Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people or to trainees and Independent Youth Benefits. Emergency Benefits include Emergency Benefits paid to unemployed people or trainees since 1 October 1998 and Emergency Unemployment Benefits paid prior to 1 October 1998.
- 2 Monthly expenditure on unemployment-related benefits and Emergency Benefits, and on supplementary benefits paid to recipients of unemployment-related benefits or Emergency Benefits.
- 3 Expenditure shown is net of taxation, adjusted to payment periods based on a standard 30-day month, and smoothed using a three-month moving average.
- 4 Expenditure data in this graph differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

Table 7.2 (see Section 7) shows trends since 1940 in expenditure on unemployment-related benefits and Emergency Benefits, including expenditure on supplementary benefits paid to people receiving one of these main benefits. From 1996, expenditure data shown in table 7.2 reflects deductions for:

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

The data in table 3.8 and figure 3.3 does not reflect the above deductions.

Carer's benefits

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

Eligibility for carer's benefits

Domestic Purposes Benefit

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

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

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

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

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

Domestic Purposes Benefit – Sole Parents

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

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

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

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

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

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

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

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

Domestic Purposes Benefit – Care of Sick or Infirm

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

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

Residency and income qualifications must also be met.

Domestic Purposes Benefit – Women Alone

A Domestic Purposes Benefit – Women Alone is available to unsupported women without dependent children who become alone or lose the support of a partner after:

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

Residency and income qualifications must also be met.

Emergency Maintenance Allowance

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

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

The number of clients receiving a carer's benefit has decreased over the last three years. Since 2003, almost all of the working aged recipients of these benefits have been receiving a Domestic Purposes Benefit – Sole Parents. Recent decreases in the number of working aged carer's benefit recipients largely reflect decreases in numbers receiving a Domestic Purposes Benefit – Sole Parents (see table 3.9).

table
3.9

Trends in the types of carer's benefit received

	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
Type of carer's benefit received at the end of June	Working aged clients receiving a carer's benefit^{1,2}				
Domestic Purposes Benefit – Sole Parents	101,610	101,579	97,882	93,348	87,601
Domestic Purposes Benefit – Care of Sick or Infirm	3,223	3,538	3,775	4,131	4,485
Domestic Purposes Benefit – Women Alone	2,951	3,031	3,043	2,897	2,838
Emergency Maintenance Allowance	906	745	947	1,265	1,543
Total received by working aged clients	108,690	108,893	105,647	101,641	96,467
	Other clients receiving a carer's benefit^{1,2}				
Other clients	605	633	683	690	644
	All clients receiving a carer's benefit^{1,2}				
Total clients	109,295	109,526	106,330	102,331	97,111

Notes

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

Since 2003, almost all working aged recipients of Domestic Purposes Benefits – Sole Parents or Emergency Maintenance Allowances had at least one dependent child aged under 14 years, including around 47% who were caring for at least one child aged under five years (see table 3.10). By law, children aged under 14 years require supervision at all times.

table
3.10

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

Age of youngest dependent child at the end of June	Working aged clients receiving a Domestic Purposes Benefit – Sole Parents or an Emergency Maintenance Allowance ¹				
	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
0–4 years	48,545	48,336	46,362	44,263	42,530
5–9 years	29,973	29,218	28,041	26,514	24,296
10–13 years	15,878	15,870	15,248	14,438	13,273
14–17 years	7,847	8,606	8,902	9,077	8,710
18–19 years	164	218	195	240	260
Not caring for children ²	109	76	81	81	75
Total	102,516	102,324	98,829	94,613	89,144

Notes

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

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

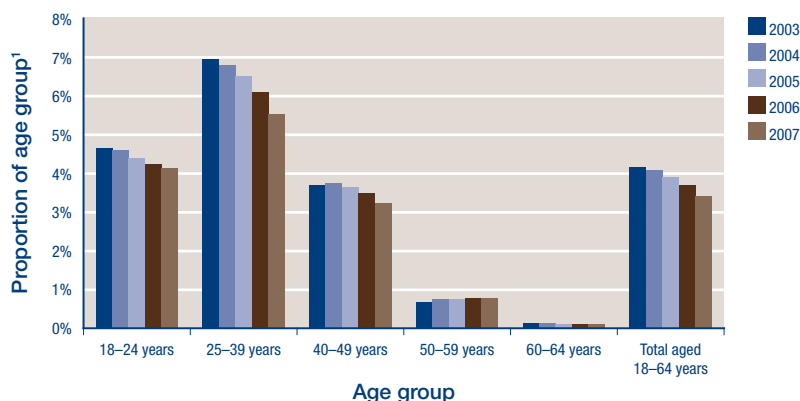
Trends in the proportion of working aged people receiving a carer's benefit

The proportion of all working aged people in the New Zealand population receiving a Domestic Purposes Benefit – Sole Parents or an Emergency Maintenance Allowance has decreased slightly over the last three years. Since 2003, 25–39 year olds and 18–24 year olds have been more likely than older working aged people to be receiving one of these benefits (see figure 3.4). This reflects in part patterns in the ages of women having children and in the ages of people when relationship breakdown occurs.

Since 2003, 18–49 year olds have become slightly less likely to be receiving a Domestic Purposes Benefit – Sole Parent or an Emergency Maintenance Allowance, while the likelihood of older people receiving these benefits has shown little change (see figure 3.4).

figure
3.4

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



Note

- Proportion shows:
 - number of people in age group recorded in SWIFTT as receiving a Domestic Purposes Benefit – Sole Parents or an Emergency Maintenance Allowance at the end of June, divided by
 - Statistics New Zealand final estimate of the resident population in age group at the end of June.

See table A3.6 (Appendix 3) for a summary of the SWIFTT data underlying figure 3.4.

Since 2003, very small numbers (under 0.2%) of working aged people have received a Domestic Purposes Benefit – Care of Sick or Infirm, and a similar proportion have received a Domestic Purposes Benefit – Women Alone.

Trends in carer's benefits granted

The number of carer's benefits granted each year has decreased since 2002/2003. Of the working aged clients granted these benefits over this period (see table 3.11):

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

table
3.11

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

	2002/2003 Number	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number
Carer's benefits granted to working aged clients^{1,2}					
Period since client last received any main benefit					
None (clients transferring between benefits or districts, or transferring from the same type of benefit) ^{3,4}	11,146	10,954	10,217	9,260	9,447
Under 6 months	6,793	6,705	6,746	6,371	6,524
6–12 months	3,760	3,617	3,623	3,671	3,376
12–18 months	2,164	2,115	2,008	2,169	1,917
18 months – 2 years	1,504	1,565	1,433	1,474	1,372
2–4 years	3,283	3,434	3,295	3,162	3,061
Had not received a main benefit in previous four years	8,132	8,214	7,982	8,035	7,774
Total granted to working aged clients	36,782	36,604	35,304	34,142	33,471
Carer's benefits granted to other clients^{1,2}					
Other clients	843	842	894	906	940
Total carer's benefits^{1,2}					
Total	37,625	37,446	36,198	35,048	34,411

Notes

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

The number of Domestic Purposes Benefits – Sole Parents and Emergency Maintenance Allowances granted to working aged clients has decreased since 2002/2003. Over this period, nearly all (around 93%) of the working aged clients granted these benefits had at least one dependent child aged under 14 years, including around 60% with at least one dependent child aged under five years (see table 3.12).

**table
3.12**

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

Age of youngest dependent child when benefit granted	Domestic Purposes Benefits – Sole Parents and Emergency Maintenance Allowances granted to working aged clients ¹				
	2002/2003 Number	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number
0–4 years	20,513	20,192	19,158	18,555	18,318
5–9 years	7,320	6,956	6,637	6,272	6,060
10–13 years	3,995	4,000	3,793	3,626	3,353
14–17 years	2,084	2,191	2,248	2,255	2,164
18–19 years	15	13	17	24	15
20 years or over	2	1	0	0	0
Unspecified	0	0	0	14	0
Not applicable (no child linked to the benefit) ²	57	64	61	59	65
Total	33,986	33,417	31,914	30,805	29,975

Notes

- 1 Numbers of successful applications from working aged clients for Domestic Purposes Benefit – Sole Parents or Emergency Maintenance Allowances recorded in SWIFTT during years ended June.
- 2 Clients have been granted these benefits while the custody and care circumstances of the children involved are clarified. In most cases, these benefits are paid at a rate similar to Unemployment Benefits received by single people with no children.

Trends in cancellations of carer's benefits

The annual number of carer's benefits cancelled has resumed an upward trend in the last year, after decreasing slightly in the previous year. Since 2002/2003, the proportion of the working aged clients cancelling these benefits who (see table 3.13):

- entered paid work has increased (from 31% to 41%)
- cancelled their benefits for reasons other than entering paid work or transferring to another benefit, pension or district decreased slightly (from 49% to 44%) (The most common "Other" reason for cancelling a carer's benefit was clients entering another relationship).

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

	2002/2003 Number	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number
Reason for cancellation	Carer's benefits cancelled by working aged clients^{1,2}				
Obtained paid work ³	11,279	12,012	13,622	14,525	16,223
Transferred to another benefit, pension or district ^{4,5}	7,561	7,151	6,477	6,096	5,855
Other ³	17,850	18,464	18,861	18,077	17,195
Total cancelled by working aged clients	36,690	37,627	38,960	38,698	39,273
	Carer's benefits cancelled by other clients^{1,2}				
Other clients	239	242	304	346	370
	Total carer's benefits cancelled^{1,2}				
Total	36,929	37,869	39,264	39,044	39,643

Notes

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

Trends in expenditure on carer's benefits

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

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

table
3.14Trends in annual expenditure on carer's benefits¹

Year ended June	Expenditure on carer's benefits ^{2,3,4} (\$m)
1995/1996	1,493
1996/1997	1,608
1997/1998	1,706
1998/1999	1,682
1999/2000	1,652
2000/2001	1,637
2001/2002	1,650
2002/2003	1,690
2003/2004	1,777
2004/2005	1,799
2005/2006	1,750
2006/2007	1,706

Notes

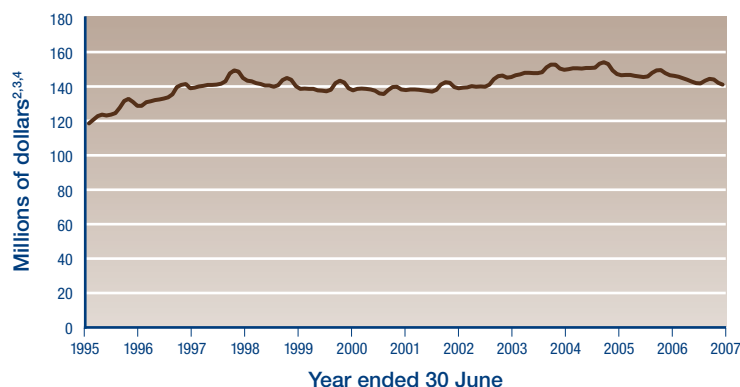
- 1 Carer's benefits include Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone and Emergency Maintenance Allowances.
- 2 Expenditure on carer's benefits in years ended June, including expenditure on supplementary benefits provided to recipients of a carer's benefit.
- 3 Expenditure shown is net of taxation, adjusted to payment periods based on a standard 30-day month, and smoothed using a three-month moving average.
- 4 Expenditure data in this table differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

Monthly expenditure on carer's benefits shows a small seasonal peak in the latter part of each fiscal year (see figure 3.5). These peaks reflect the Training Incentive Allowance payments and benefit advances made at the start of the school/academic year to carer's benefit recipients who have children attending school or who are themselves undertaking approved training.

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

**figure
3.5**

Trends in monthly expenditure on carer's benefits¹



Notes

- 1 Carer's benefits include Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone and Emergency Maintenance Allowances.
- 2 Monthly expenditure on carer's benefits and on supplementary benefits paid to recipients of a carer's benefit.
- 3 Expenditure shown is net of taxation, adjusted to payment periods based on a standard 30-day month, and smoothed using a three-month moving average.
- 4 Expenditure data in this graph differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

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

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

The data in table 3.14 and figure 3.5 does not reflect these deductions.

Sickness-related benefits

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

Between 1 October 1998 and 30 June 2001, a Sickness Benefit was known as a Community Wage – Sickness.

A Sickness Benefit – Hardship was known as:

- an Emergency Sickness Benefit prior to 1 October 1998
- a Community Wage – Emergency Sickness between 1 October 1998 and 30 June 2001.

Between 1 October 1998 and the end of the period covered by this report, the spouses or partners of clients receiving a Sickness Benefit were subject to:

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

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

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

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.

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

Types of sickness-related benefit

Sickness Benefit

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

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

To receive a Sickness Benefit, clients must be:

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

Income and residency tests apply.

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

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

Sickness Benefit – Hardship

People who do not meet the residency criteria for a Sickness Benefit but who are suffering hardship because of illness or injury may be granted a Sickness Benefit – Hardship. Sixteen or 17 year olds who are unable to support themselves because of pregnancy or who are attending an approved rehabilitation programme may also be eligible for a Sickness Benefit – Hardship. Income and asset tests apply.

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

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

The number of people receiving a sickness-related benefit has increased since 2003, although the rate of increase has been slower in the last three years. Of the working aged clients receiving these benefits over this period:

- around 36% were aged 40–54 years, while around 30% were aged 25–39 years (see table 3.15)
- virtually all were receiving a Sickness Benefit (see table 3.16)
- around 39% had systemic disorders, while around 35% had a psychological or psychiatric condition (see table 3.17)
- between 66% and 69% had received their current benefit for less than two years (see table 3.18).

table
3.15

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

	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
Age of client at the end of June	Working aged clients receiving a sickness-related benefit^{1,2}				
18–19 years	1,404	1,454	1,570	1,852	1,838
20–24 years	3,902	4,032	4,135	4,678	4,925
25–29 years	3,671	4,009	3,860	4,128	4,347
30–34 years	4,170	4,540	4,451	4,518	4,380
35–39 years	4,431	4,652	4,883	5,023	5,108
40–44 years	4,878	5,284	5,327	5,467	5,400
45–49 years	4,989	5,249	5,362	5,673	5,854
50–54 years	5,050	5,552	5,583	5,592	5,744
55–59 years	4,233	5,683	6,099	5,897	5,662
60–64 years	2,762	3,243	3,906	4,244	4,805
Total working aged clients	39,490	43,698	45,176	47,072	48,063
	Other clients receiving a sickness-related benefit^{1,2}				
Total other clients	412	430	470	487	524
	All clients receiving a sickness-related benefit^{1,2}				
Total all clients	39,902	44,128	45,646	47,559	48,587

Notes

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

table
3.16

Trends in the types of sickness-related benefit received by working aged clients

Type of sickness-related benefit received at the end of June	Working aged clients receiving a sickness-related benefit^{1,2}				
	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
Sickness Benefit	38,573	42,651	44,416	46,294	47,356
Sickness Benefit – Hardship	917	1,047	760	778	707
Total	39,490	43,698	45,176	47,072	48,063

Notes

- Sickness-related benefits include Sickness Benefits and Sickness Benefits – Hardship.
- Numbers of working aged clients recorded in SWIFTT as receiving a sickness-related benefit at the end of June.

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

Client incapacity at the end of June	Working aged clients receiving a sickness-related benefit ^{1,2}				
	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
Accident, trauma, entry of foreign bodies	5,284	5,681	5,348	4,862	4,790
Disease (circulatory system diseases, infectious or parasitic diseases)	253	270	316	339	349
Cancer	689	754	857	808	819
Congenital conditions	135	137	134	169	148
Intellectual disability	174	211	204	167	158
Pregnancy related	1,354	1,474	1,304	1,481	1,477
Psychological or psychiatric conditions	13,686	15,138	15,784	16,630	17,274
Sensory disorders	385	432	476	488	529
Substance abuse	2,306	2,410	2,473	3,221	3,479
Systemic disorders ³	15,193	17,164	18,249	18,870	19,012
Unspecified/ill-defined conditions ⁴	31	27	31	37	28
Total	39,490	43,698	45,176	47,072	48,063

Notes

- 1 Sickness-related benefits include Sickness Benefits and Sickness Benefits – Hardship.
- 2 Numbers of working aged clients recorded in SWIFTT as receiving a sickness-related benefit at the end of June.
- 3 Encompasses disorders of physiological systems (eg musculoskeletal systems, metabolic systems).
- 4 Includes uncoded incapacities and ill-defined conditions.

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

Length of current spell to the end of June	Working aged clients receiving a sickness-related benefit ^{1,2}				
	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
Under 6 months	13,103	15,158	13,986	14,554	14,928
6 months – 2 years	14,121	15,323	17,272	16,971	16,833
2–4 years	6,159	7,031	7,637	8,904	9,372
Over 4 years	6,107	6,186	6,281	6,643	6,930
Total	39,490	43,698	45,176	47,072	48,063

Notes

- 1 Sickness-related benefits include Sickness Benefits and Sickness Benefits – Hardship.
- 2 Numbers of working aged clients recorded in SWIFTT as receiving a sickness-related benefit at the end of June.

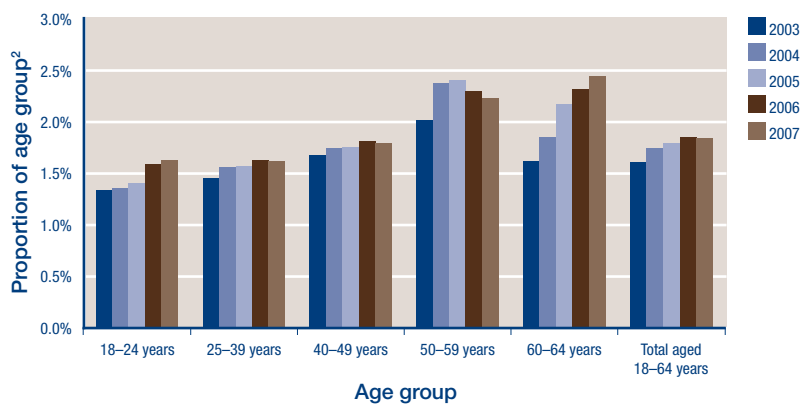
Table 7.1 (see Section 7) shows trends since 1940 in the number of people receiving a sickness-related benefit.

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

Since 2003, less than 2% of all working aged people in the New Zealand population have received a sickness-related benefit. Throughout this period, the likelihood of receiving one of these benefits has increased between ages 18–24 and ages 50–59. The likelihood of 60–64 year olds receiving such a benefit has also increased steadily since 2003 (see figure 3.6). Both these changes reflect the impact of ageing on the incidence of health and disability conditions and on whether those conditions become permanent and severe (and hence covered by an Invalid's Benefit rather than a sickness-related benefit).

figure
3.6

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



Notes

- 1 Includes Sickness Benefits and Sickness Benefits – Hardship.
- 2 Proportion shows:
 - a number of clients in age group recorded in SWIFTT as receiving a sickness-related benefit at the end of June, divided by
 - b Statistics New Zealand final estimate of the resident population in age group at the end of June.

See table A3.7 (Appendix 3) for a summary of the SWIFTT data underlying figure 3.6.

Trends in sickness-related benefits granted

The number of sickness-related benefits granted has increased slightly over the last year, after remaining relatively stable for the previous three years. Twenty-eight percent of the working aged clients granted these benefits in 2006/2007 had not received a main benefit in the previous four years, compared with 23% in 2003/2004. A decreasing proportion of these clients have transferred from another benefit or district (26% in 2006/2007, compared with 36% in 2003/2004) (see table 3.19).

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

	2002/2003 Number	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number
Period since client last received any main benefit	Sickness-related benefits granted to working aged clients^{1,2}				
None (clients transferring between benefits or districts, or transferring from the same type of benefit) ^{3,4}	15,917	17,236	14,420	12,513	12,629
Under 6 months	6,842	7,762	8,220	8,651	8,901
6–12 months	3,744	4,359	4,868	4,810	4,800
12–18 months	2,092	2,241	2,583	2,764	2,523
18 months – 2 years	1,496	1,596	1,721	1,876	1,823
2–4 years	3,110	3,592	3,783	4,319	4,406
Had not received a main benefit in previous four years	10,142	10,877	11,664	12,584	13,584
Total granted to working aged clients	43,343	47,663	47,259	47,517	48,666
	Sickness-related benefits granted to other clients^{1,2}				
Total granted to other clients	674	692	747	749	823
	Sickness-related benefits granted to all clients^{1,2}				
Total granted to all clients	44,017	48,355	48,006	48,266	49,489

Notes

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

Over this period, between 32% and 35% of these clients had a psychological or psychiatric disorder, while around 33% had systemic disorders (see table 3.20).

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

Client incapacity when benefit granted	Sickness-related benefits granted to working aged clients ^{1,2}				
	2002/2003 Number	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number
Accident, trauma, entry of foreign bodies	5,996	6,369	6,304	5,812	5,563
Disease (circulatory system diseases, infectious or parasitic diseases)	579	593	646	606	607
Cancer	994	1,017	1,140	1,064	1,080
Congenital conditions	223	235	202	202	213
Intellectual disability	79	121	116	137	136
Pregnancy related	4,647	4,942	4,558	4,598	4,525
Psychological or psychiatric conditions	13,730	15,076	15,416	16,011	16,834
Sensory disorders	434	475	505	454	444
Substance abuse	2,370	2,442	2,271	2,540	2,666
Systemic disorders ³	14,104	16,179	15,679	15,742	16,308
Unspecified/ill-defined conditions ⁴	187	214	422	351	290
Total	43,343	47,663	47,259	47,517	48,666

Notes

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

Trends in cancellations of sickness-related benefits

The number of sickness benefits cancelled has increased in the last year, after decreasing in the previous year. Since 2002/2003, the proportion of working aged clients cancelling these benefits who transferred to another benefit, pension or district has decreased (from 51% to 38%). The proportion who cancelled benefits for reasons other than transfers or entry to paid work has increased (from 35% to 44%) (see table 3.21). The main “other” reasons for cancellations of sickness benefits were loss of medical coverage (including recovery from their illness or incapacity) and transition into full-time study.

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

	2002/2003 Number	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number
Reason for cancellation	Sickness-related benefits cancelled by working aged clients^{1,2}				
Obtained paid work ³	5,508	6,192	7,450	7,267	8,619
Transferred to another benefit, pension or district ^{4,5}	20,408	19,862	19,441	18,647	17,846
Other ³	13,989	16,554	18,328	18,828	20,789
Total cancelled by working aged clients	39,905	42,608	45,219	44,742	47,254
	Sickness-related benefits cancelled by other clients^{1,2}				
Other clients	585	651	868	875	983
	Total sickness-related benefits cancelled^{1,2}				
Total	40,490	43,259	46,087	45,617	48,237

Notes

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

Trends in expenditure on sickness-related benefits

Increases since 2000/2001 in annual expenditure on sickness-related benefits (see table 3.22) reflect both increases in the numbers of people receiving these benefits and increased expenditure on Accommodation Supplements and Special Benefits paid to people receiving Sickness benefits. The decrease in expenditure on these benefits between 1998/1999 and 2000/2001 reflects a combination of:

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

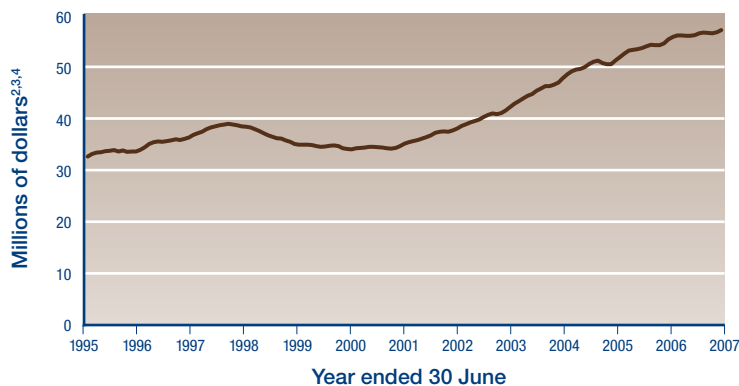
table
3.22Trends in annual expenditure on sickness-related benefits¹

Year ended June	Expenditure on sickness-related benefits ^{2,3,4} (\$m)
1995/1996	394
1996/1997	419
1997/1998	452
1998/1999	429
1999/2000	405
2000/2001	404
2001/2002	432
2002/2003	475
2003/2004	537
2004/2005	596
2005/2006	639
2006/2007	671

Notes

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

Little seasonal variation is evident in monthly expenditure on sickness-related benefits (see figure 3.7).

figure
3.7Trends in monthly expenditure on sickness-related benefits¹

Notes

- 1 Sickness-related benefits include Sickness Benefits and Sickness Benefits – Hardship.
- 2 Monthly expenditure on sickness-related benefits, including expenditure on supplementary benefits paid to recipients of a sickness-related benefit.
- 3 Expenditure shown is net of taxation, adjusted to payment periods based on a standard 30-day month and smoothed using a three-month moving average.
- 4 Expenditure data in this graph differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

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

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

The data in table 3.22 and figure 3.7 does not does not reflect these deductions.

Invalid's Benefit

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

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

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

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

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

Between 1 October 1998 and the end of the period covered by this report, the partners and spouses of people receiving an Invalid's Benefit were subject to:

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

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

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

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

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

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

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

Increases since 2003 in the number of clients receiving an Invalid's Benefit (see table 3.23) largely reflect the long-term nature of the conditions that result in people being granted these benefits. The rate of growth in numbers receiving these benefits has been slower in the last three years (see table 3.23).

Of the working aged Invalid's Benefits recipients since 2003:

- around 37% were aged between 40–54 years, while between 31% and 34% were aged between 55–64 years (see table 3.23)
- around 39% had a systemic disorder, while around 27% had a psychological or psychiatric condition and around 15% had an intellectual disability (see table 3.24).

table
3.23

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

	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
Age of client at the end of June	Working aged clients receiving an Invalid's Benefit¹				
18–19 years	1,316	1,367	1,480	1,566	1,643
20–24 years	3,512	3,710	3,793	3,890	3,949
25–29 years	4,011	4,025	4,076	4,047	4,119
30–34 years	5,623	5,670	5,585	5,376	5,206
35–39 years	6,782	6,957	6,939	7,123	7,160
40–44 years	7,909	8,417	8,687	8,829	8,726
45–49 years	8,048	8,559	9,070	9,522	9,985
50–54 years	8,840	9,345	9,794	10,160	10,599
55–59 years	10,022	10,835	11,366	11,948	12,253
60–64 years	11,067	11,922	12,396	12,888	13,661
Total working aged clients	67,130	70,807	73,186	75,349	77,301
	Other clients receiving an Invalid's Benefit¹				
Total other clients	1,377	1,535	1,610	1,697	1,776
	All clients receiving an Invalid's Benefit¹				
Total	68,507	72,342	74,796	77,046	79,077

Note

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

table
3.24

Trends in the incapacities of working aged clients receiving an Invalid's Benefit

Client incapacity at the end of June	Working aged clients receiving an Invalid's Benefit¹				
	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
Accident, trauma, entry of foreign bodies	4,768	4,931	5,048	5,177	5,262
Disease (circulatory system diseases, infectious or parasitic diseases)	376	407	442	486	520
Cancer	1,861	2,006	2,088	2,218	2,212
Congenital conditions	2,430	2,582	2,710	2,882	2,999
Intellectual disability	10,717	10,826	10,914	10,982	11,005
Psychological or psychiatric conditions	17,615	18,879	19,773	20,480	21,354
Sensory disorders	1,997	2,062	2,042	2,043	2,090
Substance abuse	918	1,036	1,095	1,162	1,278
Systemic disorders ²	26,268	27,911	28,750	29,479	29,990
Unspecified/ill-defined conditions ³	180	167	324	440	591
Total	67,130	70,807	73,186	75,349	77,301

Notes

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

² Encompasses disorders of physiological systems (eg musculoskeletal systems, metabolic systems).

³ Includes uncoded incapacities and ill-defined conditions.

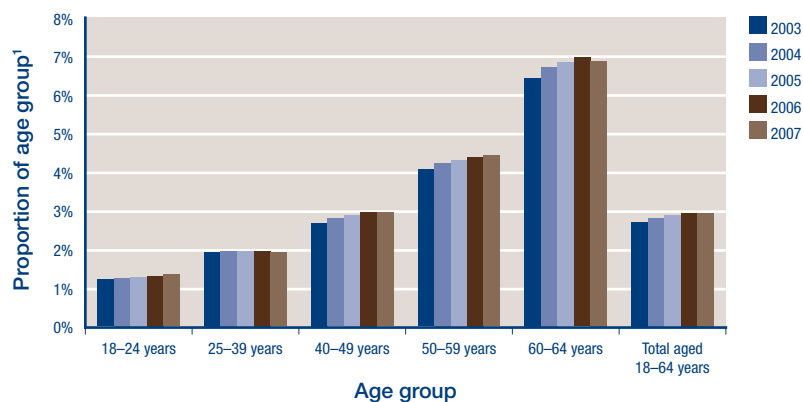
Table 7.1 (see Section 7) shows trends since 1940 in the number of clients receiving an Invalid's Benefit.

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

Since 2003, around 3% of all working aged people in the New Zealand population have been receiving an Invalid's Benefit (see figure 3.8). This relatively constant proportion reflects the long-term nature of the conditions that result in clients being granted these benefits. Throughout this period, the likelihood of working aged people receiving these benefits has increased with age (see figure 3.8). This reflects the impact of ageing on the incidence of permanent and severe health or disability conditions experienced by people receiving these benefits.

figure
3.8

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



Note

1 Proportion shows:

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

See table A3.8 (Appendix 3) for a summary of the SWIFTT data underlying figure 3.8.

Trends in Invalid's Benefits granted

The number of Invalid's Benefits granted has fluctuated since 2002/2003. Sixty-nine percent of the working aged clients granted these benefits in 2006/2007 had transferred from another benefit or district, compared with 76% in 2002/2003 (see table 3.25).

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

	2002/2003 Number	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number
Period since client last received any main benefit	Invalid's Benefits granted to working aged clients¹				
None (clients transferring between benefits or districts) ²	8,019	8,139	7,665	7,626	7,653
Under 6 months	623	655	757	754	813
6–12 months	268	266	283	320	279
12–18 months	111	114	133	125	142
18 months – 2 years	78	85	98	74	92
2–4 years	182	239	233	220	225
Had not received a main benefit in previous four years	1,281	1,546	1,729	1,722	1,870
Total working aged clients	10,562	11,044	10,898	10,841	11,074
	Invalid's Benefits granted to other clients¹				
Total other clients	714	789	806	846	884
	Total Invalid's Benefits granted¹				
Total	11,276	11,833	11,704	11,687	11,958

Note

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

Around 46% of these clients had systemic disorders, while between 23% and 26% had psychological or psychiatric disorders (see table 3.26).

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

Client incapacity when benefit granted	Invalid's Benefits granted to working aged clients¹				
	2002/2003 Number	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number
Accident, trauma, entry of foreign bodies	841	795	796	802	814
Disease (circulatory system diseases, infectious or parasitic diseases)	82	88	95	105	97
Cancer	1,011	1,111	1,133	1,105	1,040
Congenital conditions	240	238	210	234	226
Intellectual disability	332	354	364	337	363
Psychological or psychiatric conditions	2,691	2,716	2,613	2,537	2,772
Sensory disorders	181	230	191	196	222
Substance abuse	195	214	202	216	239
Systemic disorders ²	4,970	5,221	4,982	5,063	5,001
Unspecified/ill-defined conditions ³	19	77	312	246	300
Total	10,562	11,044	10,898	10,841	11,074

Notes

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

Trends in cancellations of Invalid's Benefits

The number of Invalid's Benefits cancelled each year has increased since 2002/2003, reflecting increases in the numbers of people receiving these benefits. Of the working aged clients cancelling these benefits since 2003/2004 (see table 3.27):

- between 30% and 33% transferred to other benefits, pensions or districts
- around 51% cancelled their benefit for reasons other than transfers or entry to paid work (the chief "Other" reason for cancellations of these benefits is the death of the client).

table
3.27

Trends in reasons for clients cancelling Invalid's Benefits

	2002/2003 Number	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number
Reason for cancellation	Invalid's Benefits cancelled by working aged clients¹				
Obtained paid work ²	943	1,089	1,328	1,315	1,576
Transferred to another benefit, pension or district ^{3,4}	1,937	2,326	2,576	2,613	2,534
Other ²	3,509	3,743	4,057	4,154	4,344
Total working aged clients	6,389	7,158	7,961	8,082	8,454
	Invalid's Benefits cancelled by other clients¹				
Total other clients	757	971	1,119	1,156	1,266
	Total Invalid's Benefits cancelled¹				
Total	7,146	8,129	9,080	9,238	9,720

Notes

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

Trends in expenditure on Invalid's Benefits

Increases since 1995/1996 in annual expenditure on Invalid's Benefits (see table 3.28) reflect in part increases in the number of people receiving these benefits. Slower growth over the last two years in numbers receiving Invalid's Benefits is reflected in slower growth in expenditure on these benefits shown in table 3.28.

table
3.28

Trends in annual expenditure on Invalid's Benefits

Year ended June	Expenditure on Invalid's Benefits ^{1,2,3} (\$m)
1995/1996	501
1996/1997	556
1997/1998	624
1998/1999	661
1999/2000	703
2000/2001	764
2001/2002	846
2002/2003	929
2003/2004	1,010
2004/2005	1,076
2005/2006	1,120
2006/2007	1,179

Notes

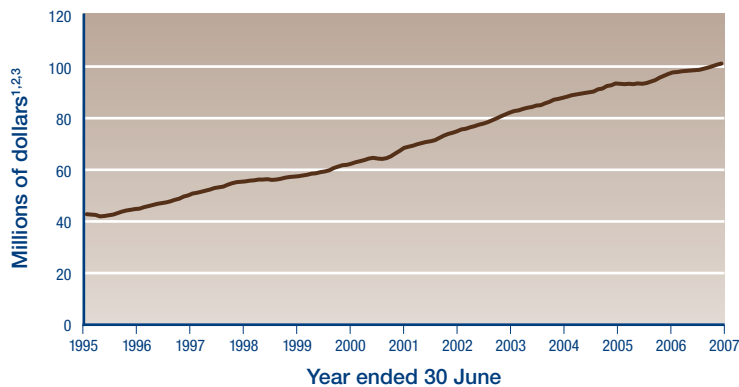
- 1 Expenditure on Invalid's Benefits in years ended June, including expenditure on supplementary benefits provided to recipients of an Invalid's Benefit.
- 2 Expenditure shown is net of taxation, adjusted to payment periods based on a standard 30-day month and smoothed using a three-month moving average.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

Little seasonal change is evident in monthly expenditure on Invalid's Benefits (see figure 3.9). Temporary reductions in this expenditure in 1995, 2001 and 2005 reflect:

- the transfer of maximised Special Benefit payments to Vote: Health in July 1995
- a fall in expenditure on Accommodation Supplements received by Invalid's Benefit recipients following the reintroduction of income-related rents in November 2000 (this was offset later by continued growth in expenditure on the Invalid's Benefit, excluding supplementary benefits)
- adjustment of maxima for Accommodation Supplements in 2005.

figure
3.9

Trends in monthly expenditure on Invalid's Benefits



Notes

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

Table 7.2 (see Section 7) shows trends since 1940 in expenditure on Invalid's Benefits, including expenditure on supplementary benefits paid to people receiving an Invalid's Benefit. From 1996, expenditure data shown in table 7.2 reflects deductions for:

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

The data in figure 3.9 and table 3.28 does not reflect these deductions.

Widow's Benefit

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

- is caring for one or more dependent children
- was married, and subsequently cared for dependent children for 15 years or more
- had one or more dependent children, and was married for a total of 15 years
- 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, clients receiving a Widow's Benefit were subject to:

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

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

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

Decreases since 2003 in the number of clients receiving a Widow's Benefit have accelerated in the last three years (see table 3.29). This reflects the ageing of women receiving these benefits and their movement onto New Zealand Superannuation. Since 2003, around 67% of the working aged clients receiving these benefits had done so for over two years, including between 45% and 48% who had done so for over four years (see table 3.29).

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

	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
Working aged clients receiving a Widow's Benefit¹					
Length of current spell to the end of June					
Under 6 months	836	765	765	704	610
6 months – 2 years	1,934	1,937	1,763	1,677	1,497
2–4 years	1,630	1,579	1,538	1,440	1,338
Over 4 years	4,126	3,980	3,571	3,180	2,842
Total working aged clients	8,526	8,261	7,637	7,001	6,287
Other clients receiving a Widow's Benefit¹					
Other clients	133	152	158	180	184
Total clients receiving a Widow's Benefit¹					
Total clients	8,659	8,413	7,795	7,181	6,471

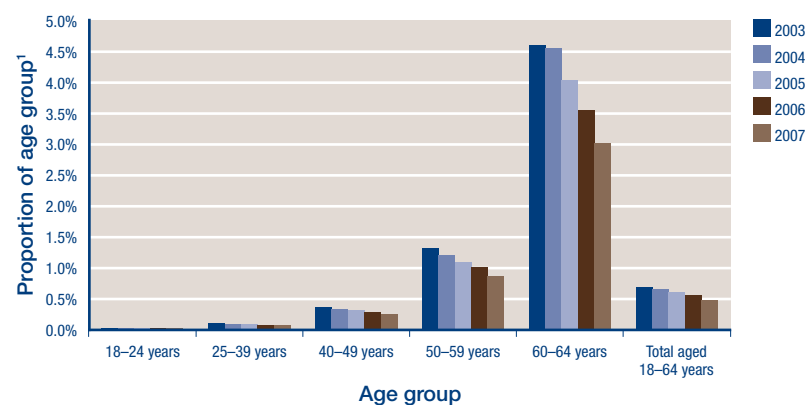
Note

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

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

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

Since 2003, around 0.5% of all working aged women in the New Zealand population have been receiving a Widow's Benefit, with women aged 50–64 years significantly more likely than younger women to receive these benefits over this period (see figure 3.10). The preponderance of older women among recipients of Widow's Benefits largely reflects the eligibility criteria for these benefits.

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

Note

1 Proportion shows:

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

See table A3.9 (Appendix 3) for a summary of the SWIFTT data underlying figure 3.10.

Trends in Widow's Benefits granted

The number of Widow's Benefits granted each year has decreased slightly since 2002/2003. Over this period, around 63% of the working aged clients granted these benefits had not received a main benefit in the previous four years, while around 16% had received a main benefit in the last 12 months (see table 3.30).

table
3.30

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

	2002/2003 Number	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number
Period since client last received any main benefit	Widow's Benefits granted to working aged clients¹				
None (clients transferring between benefits or districts) ²	291	204	186	151	152
Under 6 months	216	205	208	206	180
6–12 months	112	103	127	103	82
12–18 months	56	49	54	44	52
18 months – 2 years	39	44	33	39	37
2–4 years	92	131	104	105	101
Had not received a main benefit in previous four years	1,317	1,245	1,241	1,132	989
Total granted to working aged clients	2,123	1,981	1,953	1,780	1,593
	Widow's Benefits granted to other clients¹				
Total granted to other clients	27	36	40	43	39
	All Widow's Benefits granted¹				
Total	2,150	2,017	1,993	1,823	1,632

Notes

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

Trends in cancellations of Widow's Benefits

The number of Widow's Benefits cancelled has decreased slightly over the last two years. Since 2004/2005, around 25% of the working aged clients cancelling these benefits had entered paid work, while the proportion transferring to another benefit, pension or district decreased from 50% to 45% (see table 3.31).

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

	2002/2003 Number	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number
Reason for cancellation	Widow's Benefits cancelled by working aged clients¹				
Obtained paid work ²	460	512	543	526	516
Transferred to another benefit, pension or district ^{3,4}	987	952	1,084	996	906
Other ²	754	674	562	572	574
Total cancelled by working aged clients	2,201	2,138	2,189	2,094	1,996
	Widow's Benefits cancelled by other clients¹				
Total cancelled by other clients	134	169	410	357	353
	Total Widow's Benefits cancelled¹				
Total Widow's Benefits cancelled	2,335	2,307	2,599	2,451	2,349

Notes

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

Expenditure on Widow's Benefits

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

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

Year ended June	Expenditure on Widow's Benefits^{1,2,3} (\$m)
1995/1996	86
1996/1997	92
1997/1998	95
1998/1999	95
1999/2000	93
2000/2001	91
2001/2002	91
2002/2003	92
2003/2004	93
2004/2005	90
2005/2006	85
2006/2007	81

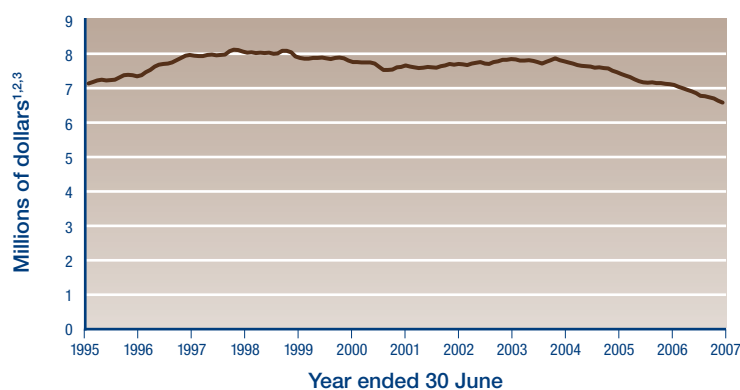
Notes

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

Monthly expenditure on Widow's Benefits shows small seasonal peaks in the latter part of each fiscal year (see figure 3.11). This peak results from the Training Incentive Allowance and benefit advances that are made at the start of the school/academic year to Widow's Benefit recipients who have dependent children at school or who are themselves undertaking approved training or study.

**figure
3.11**

Trends in monthly expenditure on Widow's Benefits



Notes

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

Table 7.2 (see Section 7) shows trends since 1940 in expenditure on Widow's Benefits, including expenditure on supplementary benefits paid to people receiving a Widow's Benefit. In table 7.2, expenditure on Widow's Benefits from 1996 reflects deductions for:

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

These deductions are not reflected in the data in figure 3.11 and table 3.32.

Employment services

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

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

Eligibility for Employment and Training Assistance

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

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

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

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

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

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

Work services may also be provided to support people who are currently working to:

- seek another job (eg where redundancy is pending), or
- retain the job they are in (eg where health or disability issues may otherwise threaten the person's future in the job).

Registered job seekers

A registered job seeker is a person:

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

Registered job seekers include:

- people who are required to register as job seekers because they, or their partner or spouse, are receiving a work-tested benefit
- people who choose to register with Work and Income as part of seeking work, to obtain assistance with finding work.

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

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

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

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

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

From 1 July 2001, all work-tested clients have been required to enter into a Job Seeker Agreement with Work and Income. The Job Seeker Agreement sets out the assistance that Work and Income will provide to assist the job seeker to obtain employment, and the steps that the job seeker will take to find employment or to improve their prospects for doing so. The Job Seeker Agreement must specify 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).

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

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

Trends in the number of registered job seekers

Decreases in the number of registered job seekers since 2003 (see table 3.33) reflect improved economic conditions and the impact of policy and operational changes. These changes include an increased emphasis on placing job seekers into paid work and removal of the work test for some clients receiving carer's benefits.

Since 2003, the proportion of working aged registered job seekers who were aged 50–64 years has risen from 12% to 18%, reflecting in part strengthened obligations on this age group to register as job seekers. Of the working aged registered job seekers over this period:

- between 36% and 39% have been aged 25–39 years, with between 24% and 27% aged under 25 years (see table 3.33)
- an increasing proportion have been receiving no benefit or pension (34% in 2007, compared with 19% in 2003), while the proportion receiving an unemployment-related benefit has decreased (from 60% to 39%) (see table 3.34)
- between 47% and 50% had no formal educational qualifications, while around 39% had school qualifications (see table 3.35)
- an increasing proportion identified as ethnic groups other than New Zealand Europeans, while the proportion identifying with that ethnic group decreased (33% in 2007, compared with 39% in 2003) (see table 3.37).

Between 2006 and 2007, the proportion of these job seekers who were registered for between two and four years increased (from 15% to 19%), while the proportion registered for under six months decreased (from 38% to 32%) (see table 3.36).

table
3.33

Trends in the ages of registered job seekers

	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
Age of client at the end of June	Working aged registered job seekers¹				
18–19 years	12,901	9,413	7,465	7,081	5,071
20–24 years	25,132	17,680	13,943	12,371	9,119
25–29 years	19,084	13,786	10,597	9,975	7,229
30–34 years	18,708	13,168	9,727	9,018	6,675
35–39 years	17,730	12,311	9,192	8,772	6,806
40–44 years	16,892	11,710	8,914	8,248	6,490
45–49 years	13,309	9,500	7,389	7,016	5,762
50–54 years	10,973	8,061	6,175	5,730	4,764
55–59 years	5,142	7,601	5,639	5,190	4,193
60–64 years	1,329	1,130	1,828	1,619	1,981
Total working aged job seekers	141,200	104,360	80,869	75,020	58,090
	Other registered job seekers¹				
Total other job seekers	3,376	3,230	2,764	2,450	2,092
	Total registered job seekers¹				
Total job seekers	144,576	107,590	83,633	77,470	60,182

Note

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

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

Type of pension or main benefit received at the end of June	Working aged registered job seekers ¹				
	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
Unemployment-related benefits ²	84,409	59,399	44,737	36,147	22,444
Carer's benefits ³	24,256	16,958	11,636	11,895	10,184
Sickness-related benefits ⁴	2,362	2,796	2,773	3,095	3,143
Invalid's Benefit	1,483	1,691	1,620	1,778	1,949
Widow's Benefit	1,183	728	449	427	416
Transitional Retirement Benefit ⁵	6	0	0	0	0
Emergency Benefit	372	278	215	224	245
New Zealand Superannuation	27	31	67	106	131
Veteran's Pension	2	2	3	6	10
No pension or main benefit ⁶	27,100	22,477	19,369	21,342	19,568
Total	141,200	104,360	80,869	75,020	58,090

Notes

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

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

Highest educational qualification recorded at the end of June	Working aged registered job seekers ¹				
	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
No formal educational qualifications	66,567	50,418	39,812	37,058	29,176
School qualifications	56,325	41,131	31,707	29,767	22,899
Post-school qualifications	17,795	12,663	9,271	8,136	5,976
Unknown/unspecified	513	148	79	59	39
Total	141,200	104,360	80,869	75,020	58,090

Note

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

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

Length of current spell to the end of June	Working aged registered job seekers ¹				
	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
Under 6 months	49,347	40,300	32,134	28,614	18,806
6 months – 2 years	49,253	35,055	29,316	27,734	21,536
2–4 years	25,677	14,981	10,278	11,054	11,236
Over four years	16,923	14,024	9,141	7,618	6,512
Total	141,200	104,360	80,869	75,020	58,090

Note

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

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

Ethnicity recorded at the end of June	Working aged registered job seekers ¹				
	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
Māori	49,255	37,152	29,198	27,468	20,622
Pacific peoples	13,720	10,848	9,426	9,104	7,518
Other ethnic groups	21,018	16,120	12,949	11,254	9,460
New Zealand Europeans	55,579	38,615	27,956	25,753	19,180
Not specified	1,628	1,625	1,340	1,441	1,310
Total	141,200	104,360	80,869	75,020	58,090

Note

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

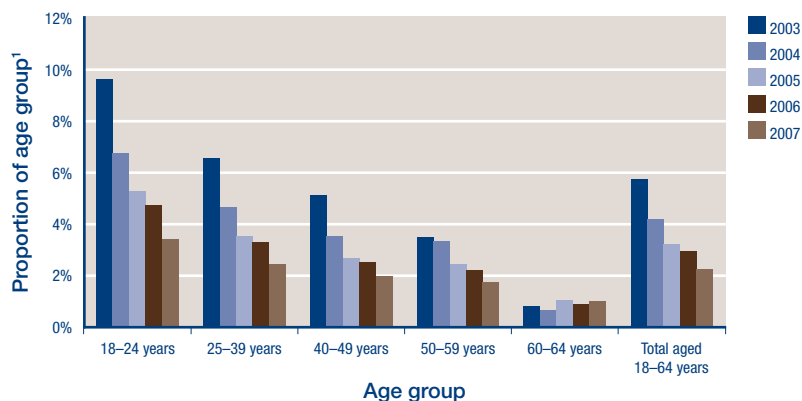
Trends in the proportion of working aged people registered as job seekers

Decreases since 2003 in the proportion of all working aged people in the New Zealand population who were registered as job seekers (see figure 3.12) reflect decreases over the same period in the total number of registered job seekers. These decreases in turn reflect both operational changes in Work and Income and improved economic conditions.

Throughout this period, the likelihood of working aged people being registered as job seekers has decreased with increasing age (see figure 3.12). This reflects both the increasing ease of obtaining and retaining paid work as people reach their prime working years, and the historic exemption of 60–64 year olds receiving main benefits from the requirement to register as a job seeker.

figure
3.12

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



Note

- 1 Proportion shows:
- number of job seekers in age group registered in SOLO at the end of June, divided by
 - Statistics New Zealand final estimate of the resident population in age group at the end of June.

See Table A3.10 (Appendix 3) for a summary of the SOLO data underlying Figure 3.12.

Trends in new registrations of job seekers

Decreases in the number of job seeker registrations since 2002/2003 (see table 3.38) reflect improved economic conditions, and the impact of government policy changes in the ways that Work and Income has assisted job seekers to retain paid work. Forty-three percent of the working aged job seekers registered in 2006/2007 had been registered in the previous 12 months, compared with 53% in 2002/2003. Over this period, between 17% and 21% of working aged clients registering as job seekers were doing so for the first time (see table 3.38).

table
3.38

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

	2002/2003 Number	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number
Period since client was last enrolled as a job seeker					
New registrations of working aged job seekers¹					
Under 6 months	92,223	73,892	56,118	40,792	31,787
6-12 months	31,087	26,495	22,320	17,317	13,044
12-18 months	14,612	13,205	11,002	9,892	6,748
18 months - 2 years	10,877	9,814	8,027	7,759	5,564
2-4 years	19,507	20,609	16,895	16,418	13,896
At least four years	17,112	15,296	14,022	14,636	13,657
Had never previously registered	48,087	36,534	26,554	24,322	20,089
Total registrations by working aged job seekers	233,505	195,845	154,938	131,136	104,785
New registrations of other job seekers¹					
Total registrations other job seekers	11,530	10,791	7,829	6,466	5,497
Total registrations of job seekers¹					
Total job seeker registrations	245,035	206,636	162,767	137,602	110,282

Note

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

Trends in numbers of de-registrations of job seekers

The number of de-registrations of job seekers has decreased since 2002/2003 (see table 3.39), reflecting decreases in numbers of registered job seekers. Between 36% and 39% of the working aged job seekers de-registered since 2004/2005 have entered paid work, while between 35% and 40% have left the labour market (eg entered full-time study or left New Zealand) (see table 3.39).

table
3.39

Trends in the reasons for de-registrations of job seekers

	2002/2003 Number	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number
Reason for deregistration	De-registrations of working aged job seekers¹				
Entered paid work	95,051	93,509	69,209	54,772	44,464
Entered training	11,998	12,502	9,322	9,554	6,822
Left labour market	77,001	80,442	73,029	48,055	43,592
Lost contact	76,355	49,330	29,029	26,474	28,496
Other	109	85	0	0	0
Total de-registrations by working aged job seekers	260,514	235,868	180,589	138,855	123,374
	De-registrations of other job seekers¹				
Total de-registrations other job seekers	8,970	8,706	6,267	5,007	4,315
	Total de-registrations of job seekers¹				
Total job seeker de-registrations	269,484	244,574	186,856	143,862	127,689

Note

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

Job Search Service

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

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

How the Job Search Service works

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

Different modules provide clients with details of:

- local job opportunities, and how Work and Income can assist them gain and retain employment
- the benefit application process if they haven't already applied
- their obligations and expectations of them while in receipt of a benefit.

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

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

Clients may be supported in their job search activity by phone, seminar attendance or additional assistance with:

- job skills or work readiness training
- specific job skills training, or
- their attitude and motivation.

Job Search Service clients are reassessed after six weeks, and again after 12 weeks. After week 12, clients either continue in the Job Search Service, with a level of support appropriate to the needs identified in the reassessment, or transfer to one-on-one case management.

Case management initiatives targeted to job seekers

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

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

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

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

Transition to Work assistance

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

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

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

- Transition to Work Grants, which replaced Work Start Grants and Pathways Payments from 30 April 2007
- New Employment Transition Grants
- Seasonal Work Assistance.

Eligibility for Transition to Work assistance

Transition to Work Grants

From 30 April 2007, Transition to Work Grants have been available to help meet the additional costs of entering into employment for:

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

As well as meeting essential costs from job search or entering employment, Transition to Work Grants may be available to assist with specific transition to work costs related to relocation and safety equipment and to assist with covering living costs between the last benefit payment and the first pay from a new job. A maximum of \$1500 in Transition to Work Grants is available in any 52-week period.

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

- be aged 18 years of age or over, or to be aged under 18 and have exceptional circumstances including:
 - a school early leaving exemption
 - one or more dependent children
 - being married, living as married, or living in a civil union
 - being reliant on government financial assistance, or
 - being in extreme hardship
- meet income, asset and residency tests
- be seeking paid work for a position of 30 hours or more per week
- have a verified job interview for a position involving at least 30 hours of work per week, or have a verified job offer involving at least 15 hours of work per week (excluding self-employment)
- have an essential cost because of the job interview or job offer
- be unlikely to make the transition into paid work or to be able to attend the interview without receiving a Transition to Work Grant.

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

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

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

table
3.40

Income and asset limits for Transition to Work Grants (applicable from 1 April 2007)

Status of client	Income limit ¹	Asset limit
Single 16–17 years	\$407.75	\$892.69
Single 18 years or over	\$468.64	\$892.69
Married with or without children	\$680.66	\$1,487.46
Sole parent, one child	\$568.66	\$1,487.26
Sole parent, two or more children	\$599.11	\$1,487.26

Notes

¹ Income limits applicable from 1 April 2007. Income limits shown are weekly and gross of income tax.

Work Start Grants

Prior to 30 April 2007, Work Start Grants were available to meet the essential costs of taking up paid employment or attending a job interview. These grants were available to clients who would not be able to enter paid employment or attend a job interview without assistance to meet the essential costs of doing so.

To receive a Work Start Grant, clients were required to:

- be aged 16 years of age or over
- have a verified job interview for a position involving at least 15 hours of work per week, or have a verified job offer involving at least 15 hours of work per week (excluding self-employment)
- have an essential cost because of the job interview or job offer
- be unlikely to make the transition into paid work or to be able to attend the interview without receiving a Work Start Grant.

Residency, income and cash asset tests applied.

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

Pathways Payment

Prior to 20 April 2007, Pathways Payments were available to assist clients entering paid employment with the living costs encountered between the cancellation of the benefit and their receipt of:

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

After 20 April 2007, these payments were incorporated into assistance delivered as Transition to Work Grants.

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

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

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

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

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

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.

New Employment Transition Grant

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

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

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

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

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

- the actual loss of gross income
- \$57.50 per day (as at 1 April 2007).

A total of no more than \$575.00 in New Employment Transition Grants may be paid to a client within the six-month qualifying period. Grants are non-taxable and non-recoverable.

Seasonal Work Assistance

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

Residency, income and cash asset tests apply. Seasonal Work Assistance is only available to clients undertaking work in a list of horticultural industries approved by MSD's Chief Executive. At the end of June 2007, this assistance was available to people working in the fruit, vegetable, wine, flower, hops, hemp, tobacco, olive, and nursery plant industries.

The amount of Seasonal Work Assistance payable depends on the client's family circumstances and on the actual net income lost during the week. The amount of assistance to be paid per week is the lesser of the actual net income lost for the week or the maximum weekly payment the client may be paid. The maximum weekly payments available as at 1 April 2007 are shown in table 3.41 below.

table
3.41

Maximum rates of Seasonal Work Assistance payable (applicable from 1 April 2007)

Hours of work lost (over week)	Maximum weekly payment	
	Single person	Married person, person in civil union, or sole parent
1–8 hours	\$38.00	\$70.00
9–16 hours	\$76.00	\$140.00
17–24 hours	\$114.00	\$210.00
25–32 hours	\$152.00	\$280.00
33–40 hours	\$190.00	\$350.00
Over 40 hours	\$190.00	\$350.00

A total of no more than \$700.00 in Seasonal Work Assistance may be paid to a client within the six-month qualifying period. This assistance is non-taxable and non-recoverable.

Trends in payments of Transition to Work assistance

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

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

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

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

The combined number of Transition to Work Grants, Work Start Grants and Pathways payments provided has increased over the last year, after decreasing in the previous two years. Reductions over the last year in the number of Work Start Grants reflect the replacement of this assistance by Work Transition Grants, while earlier reductions in these grants reflect lower numbers of job seekers registered and leaving the register for paid employment.

Transition to Work Grants accounted for 21% of the grants provided in 2006/2007, while Pathways Payments have accounted for between 8–11% of the grants provided since 2002/2003 (see table 3.42). Of the Work Start Grants provided since 2002/2003 (see table 3.42):

- virtually all were provided to non-students
- around 74% were provided to non-students to meet work placement costs.

table
3.42

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

	2002/2003 Number	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number
Type of assistance	Work Start Grants¹				
Bridging Finance – Non-student	7,354	7,994	5,974	5,516	4,692
Job Search Costs – Non-student	8,478	8,313	6,462	6,485	5,614
Work Placement Costs – Non-student	43,904	47,231	40,270	36,342	31,290
Bridging Finance – Student	74	71	57	43	49
Job Search Costs – Student	122	73	58	91	49
Work Placement Costs – Student	599	686	676	721	403
Total Work Start Grants¹	60,531	64,368	53,497	49,198	42,097
	Transition to Work Grants²				
Total Transition to Work Grants²	0	0	0	0	12,703
	Pathways Payments³				
Total Pathways Payments³	5,360	6,269	6,719	6,934	6,673
	All payment types				
Total payments made (all types)	65,891	70,637	60,216	56,132	61,473

Note

- 1 Numbers of Work Start Grants recorded in SWIFTT during years ended June.
- 2 Numbers of Transition to Work Grants recorded in SWIFTT during years ended June. Work Transition Grants began on 1 April 2007.
- 3 Numbers of Pathways Payments recorded in SWIFTT during years ended June.

Trends in the number of New Employment Transition Grants provided

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

table
3.43

Trends in the number of New Employment Transition Grants provided

	New Employment Transition Grants provided ¹				
	2002/2003 Number	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number
Total	397	362	569	535	702

Note

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

Trends in the number of Seasonal Work Assistance payments provided

The number of Seasonal Work Assistance payments has decreased over the last three years, following a peak in 2003/2004 (see table 3.44). As well as lower numbers of job seekers entering paid work (as numbers of job seekers fall), this reflects the impact of stormy weather patterns during 2003/2004 on the availability of opportunities to undertake seasonal work.

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

	Seasonal Work Assistance payments provided ¹				
	2002/2003 Number	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number
Total	1,472	2,890	1,878	1,492	1,130

Note

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

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

Combined expenditure on Transition to Work Grants, Work Start Grants and Pathways Payments has increased over the last year (see table 3.45), reflecting increases in both the number of grants paid and in the average value of each grant paid. Since 2002/2003, work placement costs for non-students have accounted for around 70% of the value of Work Start Grants provided (see table 3.45).

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

	2002/2003 Number	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number
Type of assistance	Work Start Grants¹				
Bridging Finance – Non-student	1,514	1,663	1,223	1,161	1,030
Job Search Costs – Non-student	732	699	529	526	443
Work Placement Costs – Non-student	5,556	5,825	4,851	4,373	3,742
Bridging Finance – Student	14	15	11	8	9
Job Search Costs – Student	13	8	7	10	5
Work Placement Costs – Student	76	84	82	95	53
Total Work Start Grants¹	7,906	8,294	6,703	6,173	5,281
	Transition to Work Grants²				
Total Transition to Work Grants²	0	0	0	0	2,324
	Pathways Payments³				
Total Pathways Payments³	1,918	2,376	2,589	2,642	2,781
	Total value (all payment types)				
Total value (\$000)	9,824	10,670	9,292	8,815	10,386
Average value per payment (\$)	149	151	154	157	169

Notes

1 Expenditure on Work Start Grants recorded in SWIFTT during years ended June.

2 Expenditure on Work Transition Grants recorded in SWIFTT during years ended June.

3 Expenditure on Pathways Payments recorded in SWIFTT during years ended June.

4 Due to rounding, values shown may not add to totals given.

Trends in expenditure on New Employment Transition Grants

Expenditure on New Employment Transition Grants has trended upwards since 2002/2003 (see table 3.46). This reflects fluctuations in the average value of the grants paid as well as an upward trend in the number of grants made.

table
3.46**Trends in expenditure on New Employment Transition Grants**

	Expenditure on New Employment Transition Grants ¹				
	2002/2003 Amount	2003/2004 Amount	2004/2005 Amount	2005/2006 Amount	2006/2007 Amount
Total (\$000)	85	72	125	116	168
Average value per payment (\$)	213	200	220	217	239

Note

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

Trends in expenditure on Seasonal Work Assistance payments

Expenditure on Seasonal Work Assistance payments has decreased over the last three years, while the average value of payments has fluctuated over the same period (see table 3.47). This decrease in expenditure on these payments largely reflects decreases in the number of payments made.

table
3.47**Trends in expenditure on Seasonal Work Assistance payments**

	Expenditure on Seasonal Work Assistance payments ¹				
	2002/2003 Amount	2003/2004 Amount	2004/2005 Amount	2005/2006 Amount	2006/2007 Amount
Total (\$000)	208	388	278	222	156
Average value per payment (\$)	141	134	148	149	138

Note

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

Course Participation Assistance

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

To receive Course Participation Assistance, clients must:

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

The following factors are also taken into account:

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

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

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

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

table
3.48

Income and asset limits for Course Participation Assistance (applicable from 1 April 2007)

Client status ¹	Income limit ²	Asset limit
Single 16–17 years	\$407.75	\$892.69
Single 18 years or over	\$468.64	\$892.69
Married with or without children	\$680.66	\$1,487.46
Sole parent, one child	\$568.66	\$1,487.26
Sole parent, two or more children	\$599.11	\$1,487.26

Notes

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

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

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

table
3.49

Maximum payments of Course Participation Assistance (available from 1 April 2007)

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

Note

- ¹ Maximum weekly payments available from 1 April 2007.
- ² May be available to cover costs of formal or informal care arrangements for children, disabled people or older people. Childcare costs covered exclude any costs met by Childcare Subsidies, OSCAR Subsidies, or Child Disability Allowance.

Trends in the number of people receiving Course Participation Assistance

In the three months to the end of June 2007, 445 payments of Course Participation Assistance were made, with a total value of \$74,000. Sixty-five percent of these payments were made to clients receiving an unemployment-related benefit, and 18% to clients receiving carer's benefits.

Transitional Retirement Benefit

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

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

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

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

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

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

New Zealand Superannuation

New Zealand Superannuation provides a source of income to people who have reached a qualifying age and meet a residency qualification. On 1 April 1992, the qualifying age was increased from 60 years to 61 years. The qualifying age was then increased by three months every six months from 1 April 1993, until it was fixed at 65 years from 1 April 2001.

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

New Zealand Superannuation may be paid to couples in which only one partner personally qualifies for this pension. 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 is a non-qualified spouse, there are two options available:

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

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

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

Trends in the number of clients receiving New Zealand Superannuation

The number of clients receiving New Zealand Superannuation has increased since 2003 (see table 3.50). This reflects the impact of the ageing of the population, combined with relatively constant cessations of New Zealand Superannuation over the period since 2001.

Since 2003, around 52% of New Zealand Superannuation recipients have been aged 65–74 years, while around 44% have been aged 75 years or over (see table 3.50).

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

Age of client at the end of June	Clients receiving New Zealand Superannuation ¹				
	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
Under 60 years ²	4,878	4,507	4,205	3,899	3,484
60–64 years ²	13,617	12,815	11,971	11,072	10,303
65–69 years	123,485	127,786	135,322	144,867	153,900
70–74 years	112,069	111,757	111,329	111,240	113,201
75–79 years	92,571	94,098	95,021	96,754	97,382
80 years or over	110,658	113,661	117,367	120,993	124,447
Unspecified	0	0	0	0	0
Total	457,278	464,624	475,215	488,825	502,717

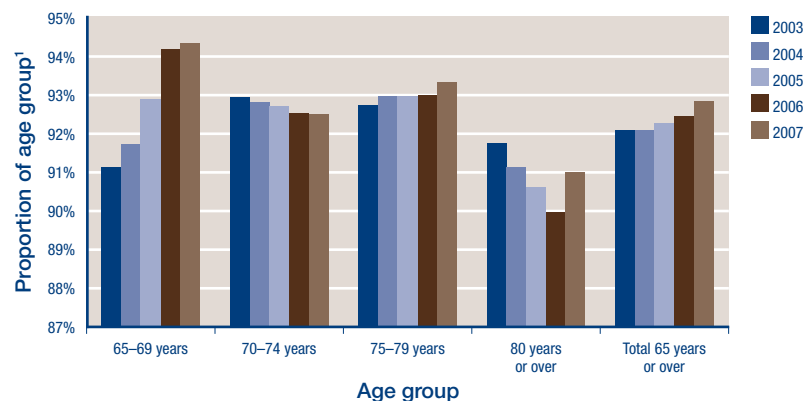
Notes

- 1 Numbers of clients recorded in SWIFTT as receiving New Zealand Superannuation at the end of June.
- 2 Clients receiving New Zealand Superannuation while under the qualifying age of 65 years are non-qualified spouses.

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

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

Since 2003, around 92% of all people aged 65 years or over in the New Zealand population have been receiving New Zealand Superannuation (see figure 3.13). Decreases between 2003 and 2006 in the likelihood of people aged 80 years or over receiving New Zealand Superannuation appear associated with patterns in use of Veteran's Pensions, while an increase in this likelihood over the last year appears associated with population changes within this age group.

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

Note

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

See table A3.11 (Appendix 3) for a summary of the SWIFTT data underlying figure 3.13.

Trends in New Zealand Superannuation grants

The annual number of New Zealand Superannuation grants has increased steadily since 2002/2003 (see table 3.51), reflecting the ageing of the New Zealand population.

Seventy-six percent of the clients granted New Zealand Superannuation in 2006/2007 had not received a pension or main benefit within the previous four years, compared with 69% in 2002/2003. The proportion of these clients who transferred from another pension, benefit or district decreased over the same period (from 26% to 19%) (see table 3.51).

table
3.51

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

Period since client last received any pension or main benefit	New Zealand Superannuation pensions granted ¹				
	2002/2003 Number	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number
None (clients transferring from another pension or district, or from a main benefit) ²	8,826	8,216	8,083	8,011	7,907
Under 6 months	280	375	358	364	392
6–12 months	363	361	309	383	359
12–18 months	332	268	254	320	322
18 months – 2 years	267	240	254	272	264
2–4 years	736	786	897	905	983
Had not received a pension or main benefit in previous four years	23,779	25,312	28,854	31,118	31,845
Total	34,583	35,558	39,009	41,373	42,072

Notes

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

Trends in expenditure on New Zealand Superannuation

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

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

Part of the increase in expenditure in 2006/07 is the result of setting the net married couple rate of new grants of New Zealand Superannuation to 66% of the net ordinary time weekly wage rate for the 1 April 2007 annual general adjustment.

table
3.52

Trends in annual expenditure on New Zealand Superannuation

Year ended June	Expenditure on New Zealand Superannuation ^{1,2,3} (\$m)
1995/1996	5,158
1996/1997	5,187
1997/1998	5,263
1998/1999	5,253
1999/2000	5,228
2000/2001	5,457
2001/2002	5,638
2002/2003	5,831
2003/2004	6,085
2004/2005	6,307
2005/2006	6,658
2006/2007	7,068

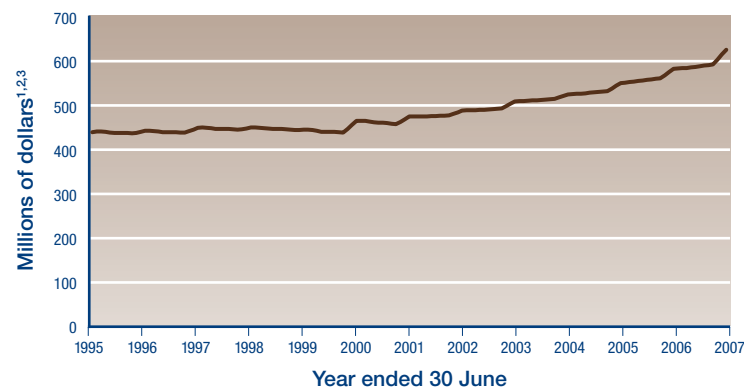
Notes

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

In general, monthly expenditure on New Zealand Superannuation (see figure 3.14) shows a strong relationship to the number of people receiving New Zealand Superannuation and to adjustments in the rate of payment. Seasonal peaks in expenditure between 1995/1996 and 2000/2001 (see figure 3.14) reflect the impact of a surge of New Zealand Superannuation grants in the quarters beginning April and October each year (as each incremental increase in eligibility age took effect). These peaks have not been in evidence over the last five years because the age of eligibility has remained at 65 years since 1 April 2001.

figure
3.14

Trends in monthly expenditure on New Zealand Superannuation



Notes

- 1 Monthly expenditure on New Zealand Superannuation, including expenditure on supplementary benefits paid to New Zealand Superannuation recipients.
- 2 Expenditure shown is gross of taxation, adjusted to payment periods based on a standard 30-day month and smoothed using a three-month moving average.
- 3 Expenditure data in this graph differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

Table 7.2 (see Section 7) shows trends since 1940 in expenditure on New Zealand Superannuation, including expenditure on supplementary benefits paid to people receiving this pension. In table 7.2, expenditure data from 1996 onwards reflects deductions for:

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

The data in table 3.52 and figure 3.14 do not reflect these deductions.

Veteran's Pension

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

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

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

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

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

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

The number of clients receiving a Veteran's Pension has increased since 2003. Over this period, the proportion of recipients who were aged 80 years or over has increased (from 53% to 63%), while the proportion aged 70–79 years has decreased (from 34% to 24%) (see table 3.53). This reflects the ageing of World War Two veterans and their spouses, who are the largest group of Veteran's Pension recipients.

table
3.53

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

Age of client at the end of June	Clients receiving a Veteran's Pension ¹				
	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
Under 60 years	350	365	352	326	284
60–64 years	278	312	357	363	393
65–69 years	415	452	478	562	681
70–74 years	753	779	776	828	887
75–79 years	1,887	1,793	1,670	1,577	1,514
80 years or over	4,189	4,764	5,238	5,816	6,306
Unspecified	0	0	0	0	0
Total	7,872	8,465	8,871	9,472	10,065

Note

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

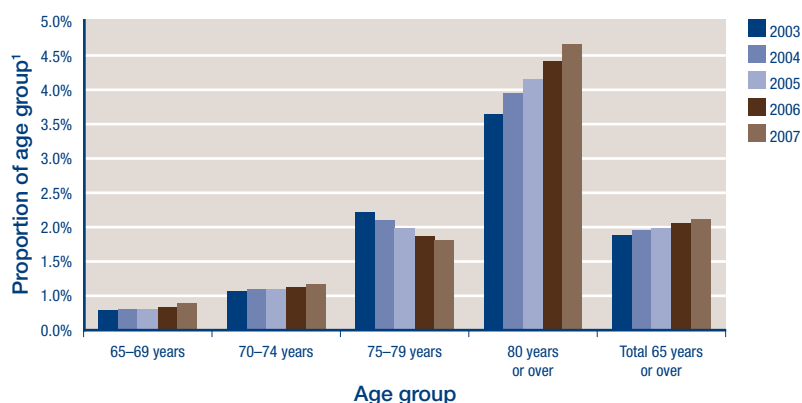
Table 7.1 (see Section 7) shows trends since 1990 in the number of clients receiving a Veteran's Pension.

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

Since 2003, less than 2% of all people aged 65 years or over in the New Zealand population have been receiving a Veteran's Pension (see figure 3.15). Increases over this period in the proportion of people aged 80 years or over who are receiving a pension, and decreases in the proportion aged 75–79 years (see figure 3.15), largely reflect the ageing of World War Two veterans and their spouses or partners.

figure
3.15

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



Note

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

See table A3.12 (Appendix 3) for a summary of the SWIFTT data underlying figure 3.15.

Trends in Veteran's Pensions granted

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

Between 83% and 86% of the clients granted Veteran's Pensions since 2002/2003 had transferred from another benefit, pension or district (see table 3.54). Pensions granted after a transfer frequently involved clients transferring from New Zealand Superannuation. Between 12% and 14% of the clients granted Veteran's Pensions had not received a main benefit or pension in the previous four years (see table 3.54).

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

Period since client last received any pension or main benefit	Veteran's Pensions granted ¹				
	2002/2003 Number	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number
None (clients transferring from another pension or district, or from a main benefit) ²	769	1,076	1,047	1,152	1,279
Under 6 months	7	3	7	16	5
6–12 months	4	2	2	4	2
12–18 months	6	5	5	2	1
18 months – 2 years	4	4	4	7	4
2–4 years	7	7	10	14	
Had not received a pension or main benefit in previous four years	132	159	168	172	179
Total	929	1,256	1,243	1,367	1,480

Notes

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

Trends in expenditure on Veteran's Pensions

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

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

Year ended June	Expenditure on Veteran's Pensions ^{1,2,3} (\$m)
1995/1996	59
1996/1997	64
1997/1998	70
1998/1999	72
1999/2000	73
2000/2001	77
2001/2002	83
2002/2003	87
2003/2004	94
2004/2005	103
2005/2006	112
2004/2005	124

Notes

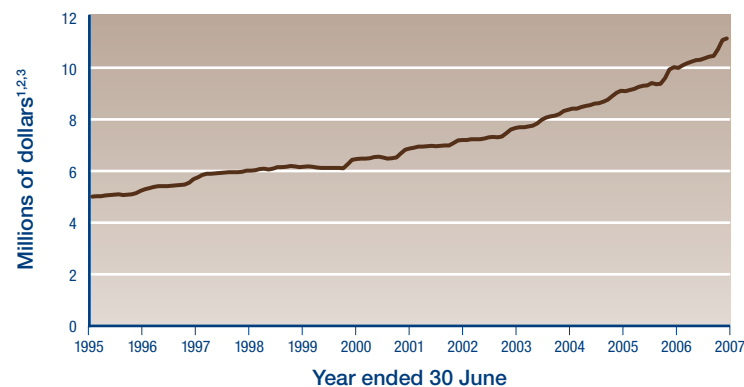
- 1 Expenditure on Veteran's Pensions in years ended June, including expenditure on supplementary benefits provided to clients receiving a Veteran's Pension.
- 2 Expenditure shown is net of taxation, adjusted to payment periods based on a standard 30-day month and smoothed using a two-month moving average.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

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

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

figure
3.16

Trends in monthly expenditure on Veteran's Pensions



Notes

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

Table 7.2 (see Section 7) shows trends since 1990 in expenditure on Veteran's Pensions and on supplementary benefits paid to clients receiving these pensions. In table 7.2, expenditure data from 1996 onwards reflects deductions for:

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

These deductions are not reflected in the data shown in table 3.55 and figure 3.16.

Emergency Benefit

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

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

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

Income and asset tests apply.

Trends in the number of clients receiving an Emergency Benefit

The number of Emergency Benefit recipients has decreased over the last year. Since 2003, the proportion of recipients who were working aged has decreased from 50% to 36% (see table 3.56). Virtually all of the remainder have been aged 65 years or over. Many clients receiving these benefits do so because they are not residentially qualified to receive other pensions or main benefits.

Sixty-five percent of the working aged Emergency Benefit recipients in 2007 were aged 40–64 years, compared with 57% in 2003 (see table 3.56). Over this period, between 64% and 68% of these clients had received their benefit for less than two years (see table 3.57).

table
3.56

Trends in the ages of clients receiving an Emergency Benefit

	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
Age of client at the end of June	Working aged clients receiving an Emergency Benefit¹				
18–19 years	150	151	116	119	107
20–24 years	408	352	309	314	283
25–29 years	413	368	335	317	273
30–34 years	480	422	334	357	292
35–39 years	450	450	368	343	301
40–44 years	429	397	358	401	325
45–49 years	469	446	386	421	334
50–54 years	391	397	385	403	405
55–59 years	398	412	398	430	448
60–64 years	788	734	489	633	635
Total working aged clients	4,376	4,129	3,478	3,738	3,403
	Other clients receiving an Emergency Benefit¹				
Total other clients	4,352	4,818	5,505	5,958	5,995
	Total clients receiving an Emergency Benefit¹				
Total all clients	8,728	8,947	8,983	9,696	9,398

Note

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

table
3.57

Trends in the length of current spells receiving an Emergency Benefit, for working aged clients

Length of current spell to the end of June	Working aged clients receiving an Emergency Benefit ¹				
	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
Under 6 months	1,450	1,389	1,120	1,225	1,047
6 months – 2 years	1,507	1,392	1,213	1,190	1,140
2–4 years	793	767	653	758	714
4 years or over	626	581	492	565	502
Total	4,376	4,129	3,478	3,738	3,403

Note

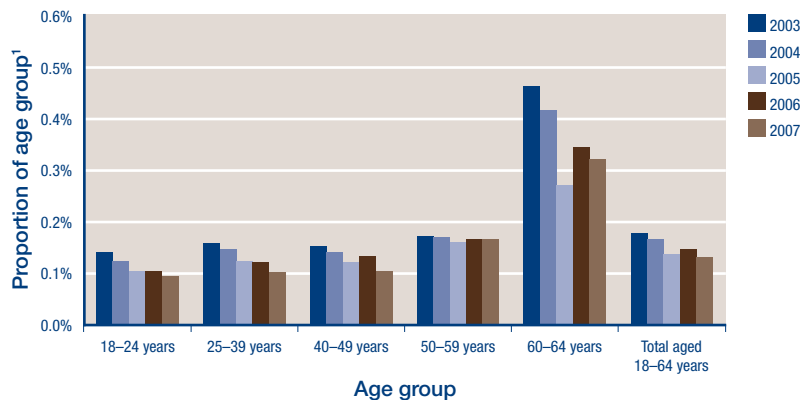
¹ Numbers of working aged clients recorded in SWIFTT as receiving an Emergency Benefit at the end of June.

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

Since 2003, less than 0.2% of all working aged people in the New Zealand population have received an Emergency Benefit, with a significantly higher proportion of 60–64 year olds than of younger people doing so.

figure
3.17

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



Note

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

See table A3.13 (Appendix 3) for a summary of the SWIFTT data underlying figure 3.17.

Trends in Emergency Benefits granted

The number of Emergency Benefits granted decreased in the last year. Since 2002/2003, a large majority of these benefits granted (between 80% and 85%) have been provided to working aged clients (see table 3.58). Virtually all of the remainder have been granted to clients aged 65 years or over.

Forty-seven percent of the working aged clients granted Emergency Benefits in 2006/2007 had received a benefit in the previous 12 months, compared with 54% in 2002/2003. There was a corresponding increase over this period in the proportion who had not received a main benefit in the previous two years (from 21% to 28%) (see table 3.58).

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

	2002/2003 Number	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number
Period since client last received any main benefit	Number of Emergency Benefits granted to working aged clients¹				
None (clients transferring from another benefit or district) ²	1,218	1,843	1,337	1,386	1,142
Under 6 months	2,288	3,375	2,993	2,798	2,404
6–12 months	610	930	1,056	1,070	906
12–18 months	185	280	302	365	316
18 months – 2 years	145	223	259	304	280
2–4 years	265	373	429	513	513
Had not received a main benefit in previous four years	1,344	1,353	1,193	1,467	1,454
Total granted to working aged clients	6,055	8,377	7,569	7,903	7,015
	Number of Emergency Benefits granted to other clients¹				
Total granted to other clients	1,354	1,523	1,946	1,824	1,575
	Total number of Emergency Benefits granted¹				
Total granted to all clients	7,409	9,900	9,515	9,727	8,590

Notes

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

Trends in cancellations of Emergency Benefits

The number of Emergency Benefits cancelled each year remained relatively stable in the last year, after decreasing in the previous year. Since 2002/2003, a large majority of these cancellations were by working aged clients (see table 3.59). Of the remainder, virtually all have involved clients aged 65 years or over, with a majority of these clients cancelling their benefit because they left New Zealand or transferred to another pension or main benefit (usually to New Zealand Superannuation).

Fifty-four percent of the working aged clients cancelling Emergency Benefits in 2006/2007 entered paid work, compared with 34% in 2002/2003. Over the same period, there has been a decrease in the proportion of these clients transferring to another benefit, pension or district (including those qualifying for New Zealand Superannuation) (from 32% to 22%) (see table 3.59).

table
3.59

Trends in reasons for clients cancelling Emergency Benefits

Reason for cancellation	Emergency Benefits cancelled by working aged clients ¹				
	2002/2003 Number	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number
Obtained paid work ²	1,757	3,280	3,859	3,814	3,974
Transferred to another benefit, pension or district ^{3,4}	1,689	2,238	2,368	1,718	1,636
Other ²	1,780	2,691	2,193	1,925	1,688
Total	5,226	8,209	8,420	7,457	7,298
	Emergency Benefits cancelled by working aged clients ¹				
Total cancelled by other clients	1,076	1,222	1,357	1,461	1,692
	Total Emergency Benefits cancelled ¹				
Total cancelled	6,302	9,431	9,777	8,918	8,990

Notes

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

Section 4 Trends in use of supplementary benefits and hardship assistance

Introduction

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

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

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

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

Accommodation Supplement

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

Housing costs must be over a stated minimum, and income and asset tests must be met. An Accommodation Supplement meets 70% of accommodation-related costs over an entry threshold, up to a maximum that varies according to region and household size. For boarders, 62% of their boarding costs are considered as accommodation-related costs.

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

The Working for Families package increased the income limits for Accommodation Supplements, and also changed the Accommodation Supplement abatement regime. Under these abatement changes, clients receiving an Accommodation Supplement and earning additional income no longer have their Accommodation Supplement abated while they remain on a benefit. Once clients enter paid work, however, their Accommodation Supplement is abated to reflect their income.

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

Trends in the number of clients receiving an Accommodation Supplement

The number of Accommodation Supplement recipients has decreased in the last year, after increasing between 2004 and 2006. The recent decrease in numbers receiving supplements reflects a decrease in numbers receiving unemployment-related benefits and carer's benefits (see table 4.1).

In 2007, 21% of these clients were not receiving any pension or main benefit, compared with 9% in 2003. There was a corresponding decrease in the proportion receiving unemployment-related benefits (from 21% to 9%). Since 2004, between 28% and 31% of Accommodation Supplement recipients were receiving a carer's benefit (see table 4.1).

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

Type of pension or main benefit paid at the end of June	Clients receiving an Accommodation Supplement ¹				
	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
Unemployment-related benefits ²	69,428	48,830	37,756	32,518	21,286
Carer's benefits ³	77,648	77,476	75,279	72,537	68,459
Sickness-related benefits ⁴	26,917	29,822	31,268	33,198	34,113
Invalid's Benefit	31,649	33,270	35,179	37,043	38,265
Widow's Benefit	2,502	2,495	2,497	2,388	2,204
Transitional Retirement Benefit ⁵	413	0	0	0	0
Emergency Benefit	5,523	5,541	5,582	6,034	5,806
New Zealand Superannuation	16,044	17,102	18,570	20,141	21,281
Veteran's Pension	250	281	325	333	325
No pension or main benefit ⁶	21,567	21,878	36,156	45,186	51,694
Total	251,941	236,695	242,612	249,378	243,433

Notes

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

Since 2005, around 59% of Accommodation Supplement recipients have been renting privately, while around 21% have been boarding (see table 4.2).

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

Ownership status at the end of June	Clients receiving an Accommodation Supplement ¹				
	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
Renting privately	142,006	137,038	142,076	146,904	145,519
Renting from other organisation	5,921	5,936	6,245	6,627	6,778
Boarding	62,703	55,418	52,357	52,703	48,686
Own their own home ²	41,298	38,293	41,772	43,115	42,427
Unspecified	13	10	162	29	23
Total	251,941	236,695	242,612	249,378	243,433

Notes

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

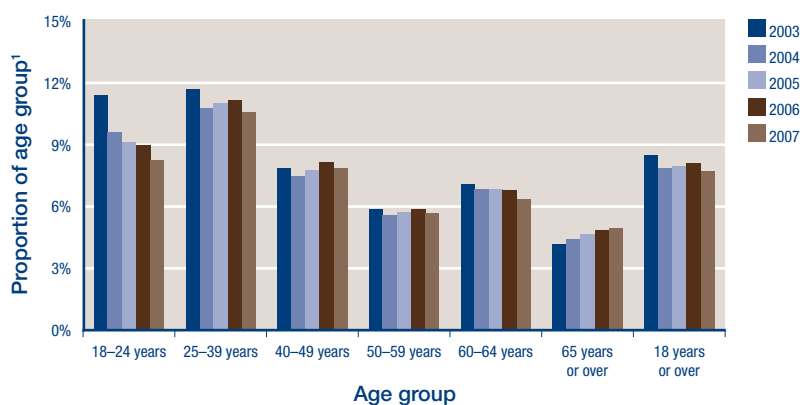
Trends in the proportion of people aged 18 years or over receiving an Accommodation Supplement

The proportion of all people aged 18 years or over in the New Zealand population who were receiving an Accommodation Supplement has fluctuated around a downward trend since 2003 (see figure 4.1). This reflects the combined impact of decreases over this period in numbers of recipients of main benefits and the expansion of Accommodation Supplements provided to low-income working families through the Working for Families package.

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

figure
4.1

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



Note

1 Proportion shows:

- a number of people in age group recorded in SWIFTT as receiving an Accommodation Supplement at the end of June, divided by
- b Statistics New Zealand final estimate of the resident population in age group at the end of June.

See table A3.14 (Appendix 3) for a summary of the SWIFTT data underlying figure 4.1.

Trends in Accommodation Supplements granted

The annual number of Accommodation Supplements granted has decreased over the last two years (see table 4.3). This reflects decreases in the number of clients receiving a main benefit, particularly unemployment-related benefits.

Thirty-four percent of the clients granted Accommodation Supplements in 2006/2007 were receiving an unemployment-related benefit, compared with 52% in 2002/2003. Over the same period, the proportion of these clients who were not receiving any pension or main benefit has increased (from 10% in 2002/2003 to 23% in 2006/2007) (see table 4.3).

table
4.3

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

Type of pension or main benefit received when Accommodation Supplement granted	Accommodation Supplements granted ¹				
	2002/2003 Number	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number
Unemployment-related benefits ²	124,634	106,190	93,144	83,813	71,961
Carer's benefits ³	34,734	34,674	34,534	32,211	31,161
Sickness-related benefits ⁴	33,909	37,346	38,066	38,597	39,647
Invalid's Benefit	9,801	10,206	10,935	10,344	10,313
Widow's Benefit	967	976	1,054	863	760
Transitional Retirement Benefit ⁵	688	271	0	0	0
Emergency Benefit	5,193	6,805	6,739	6,963	6,183
New Zealand Superannuation	4,209	4,633	5,483	5,499	5,652
Veteran's Pension	77	83	123	105	100
No pension or main benefit ⁶	23,420	24,778	44,170	45,877	48,442
Total	237,632	225,962	234,248	224,272	214,219

Notes

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

Trends in expenditure on Accommodation Supplements

Decreased expenditure between 1999/2000 and 2000/2001 (see table 4.4) reflects the impact of the reintroduction of income-related rents for state rental homes in November 2000. Increases since 2003/2004 in expenditure on Accommodation Supplements (see table 4.4) reflect a combination of:

- increases in 2004/2005 and later years in numbers of low-income working people receiving an Accommodation Supplement (This was largely due to broadened eligibility under the Working for Families package)
- increases since 1 April 2005 in the maximum levels of assistance available in some areas of New Zealand.

table
4.4

Trends in annual expenditure on Accommodation Supplements

Year ended June	Expenditure on Accommodation Supplements ^{1,2,3} (\$m)
1995/1996	551
1996/1997	648
1997/1998	777
1998/1999	831
1999/2000	852
2000/2001	790
2001/2002	711
2002/2003	697
2003/2004	691
2004/2005	735
2005/2006	830
2006/2007	865

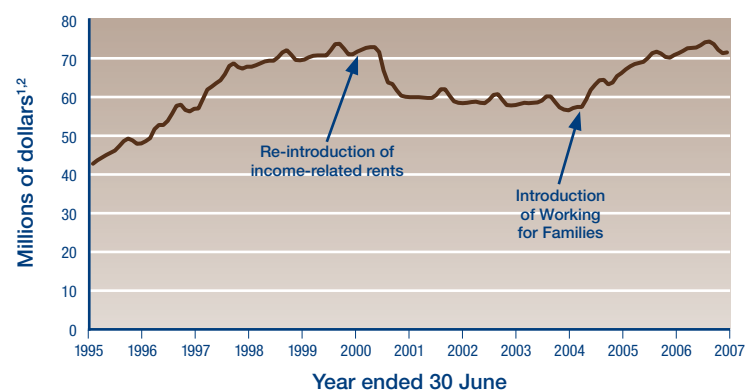
Notes

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

Monthly expenditure on Accommodation Supplements shows small seasonal peaks in summer (see figure 4.2), which reflect the seasonal peak in uptake of main benefits that occurs around this time.

figure
4.2

Trends in monthly expenditure on Accommodation Supplements



Notes

- 1 Expenditure is adjusted to payment periods based on a standard 30-day month, and smoothed using a two-month moving average. Accommodation Supplements are not subject to taxation.
- 2 Expenditure data in this graph differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

Tenure Protection Allowance

Between June 1993 and November 2000, a Tenure Protection Allowance was available to selected tenants in Housing New Zealand Corporation (HNZC) or Te Puni Kōkiri housing. Tenure Protection Allowances were available to tenants who would face difficulty as a result of market-related rents if they were required to move to other accommodation. The Tenure Protection Allowance was set at the difference between:

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

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

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

Special Transfer Allowance

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

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

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

Trends in the number of clients receiving a Special Transfer Allowance

Since 2003, the number of Special Transfer Allowance recipients has decreased from 140 to 70, reflecting attrition from the original group of clients who were eligible for an allowance. Over this period, around 93% of recipients have been receiving New Zealand Superannuation, reflecting the high proportion of allowance recipients who were aged 65 years or over.

Between one and three Special Transfer Allowances have been granted annually since 2002/2003. These are low numbers compared with earlier years, reflecting attrition from the original group of clients who were eligible for an allowance.

Trends in expenditure on Tenure Protection Allowances and Special Transfer Allowances

From 1996/1997 onward, combined annual expenditure on Tenure Protection Allowances and Special Transfer Allowances has decreased each year (from \$17 million in 1996/1997 to \$12 million in 1999/2000 and under half a million since 2001/2002). The low levels of expenditure on these allowances since 2001/2002 reflect the reintroduction of income-related rents in November 2000 and the related abolition of the Tenure Protection Allowance programme.

Away from Home Allowance

An Away from Home Allowance provides assistance with accommodation costs for the caregivers of dependent 16–17 year olds who move away from home to undertake tertiary study or employment-related training.

For the caregiver to receive an Away from Home Allowance, they must be:

- the principal caregiver for the child
- entitled to receive Family Tax Credits for the child.

In addition, the child must be living away from home in order to undertake a course that would qualify them for a Student Allowance or an Unemployment Benefit if they were old enough to receive one.

The amount of Away from Home Allowance payable is calculated based on:

- the same threshold for rental or boarding costs as would be applied to a single 18 year old receiving an Unemployment Benefit
- maximum accommodation costs funded, which are the same as those for an Accommodation Supplement.

All accommodation costs must be verified when applying for an Away from Home Allowance. The allowance is non-taxable and is not asset tested.

Trends in the number of clients receiving an Away from Home Allowance

The number of clients receiving an Away from Home Allowance has increased over the last year, from 39 to 54. Between 2006 and 2007, the proportion of recipients who were not receiving a pension or main benefit has increased from 44% to 56%, with a corresponding decrease in the proportion receiving a carer's benefit.

The number of Away from Home Allowances granted has increased slightly in the last year, from 92 to 95. Forty-nine percent of clients granted an allowance in 2006/2007 were receiving no main benefit or pension, compared with 42% in 2005/2006. There was a corresponding decrease in the proportion granted to clients who were receiving a carer's benefit.

Unsupported Child's Benefit and Orphan's Benefit

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

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

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

Unsupported Child's Benefit

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

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

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

Orphan's Benefit

An Orphan's Benefit is available to the principal caregiver of a child whose natural or adoptive parents 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 caregiver must intend to be the principal caregiver of the child for at least 12 months. No breakdown in the child's family needs to be established.

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

Increases since 2003 in the number of clients receiving these benefits (see table 4.5) largely reflect growth in numbers receiving an Unsupported Child's Benefit. Virtually all of the recipients of these benefits since 2003 were receiving an Unsupported Child's Benefit (see table 4.5). Over this period, an increasing proportion was not receiving any pension or main benefit (54% in 2007, compared with 48% in 2003) (see table 4.6).

table 4.5

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

Benefit received at the end of June	Clients receiving an Unsupported Child's Benefit or Orphan's Benefit ¹				
	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
Unsupported Child's Benefit	6,418	6,682	6,908	7,125	7,205
Orphan's Benefit	371	369	371	377	382
Total	6,789	7,051	7,279	7,502	7,587

Note

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

table 4.6

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

Type of pension or main benefit paid at the end of June	Clients receiving an Unsupported Child's Benefit or Orphan's Benefit ¹				
	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
Unemployment-related benefits ²	561	386	300	239	172
Carer's benefits ³	982	1,046	1,007	1,005	995
Sickness-related benefits ⁴	281	318	341	360	369
Invalid's Benefit	614	648	713	671	692
Widow's Benefit	156	169	145	145	143
Transitional Retirement Benefit ⁵	16	0	0	0	0
Emergency Benefit	152	166	197	223	215
New Zealand Superannuation	787	853	896	948	917
Veteran's Pension	14	12	17	13	12
No pension or main benefit	3,226	3,453	3,663	3,898	4,072
Total	6,789	7,051	7,279	7,502	7,587

Notes

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

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

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

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

The number of children covered by an Unsupported Child's Benefit or an Orphan's Benefit has increased since 2003. Of the children covered by these benefits since 2003, around 68% have been aged under 14 years (see table 4.7). By law, children aged under 14 years require supervision at all times.

table
4.7

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

Age of child at the end of June	Children covered by an Unsupported Child's Benefit or Orphan's Benefit ^{1,2}				
	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
0–4 years	1,059	1,107	1,193	1,299	1,364
5–9 years	2,384	2,554	2,637	2,736	2,863
10–13 years	2,494	2,608	2,746	2,862	2,929
14–17 years	2,895	3,024	3,056	3,133	3,127
18–19 years	78	69	100	117	121
Total	8,910	9,362	9,732	10,147	10,404

Notes

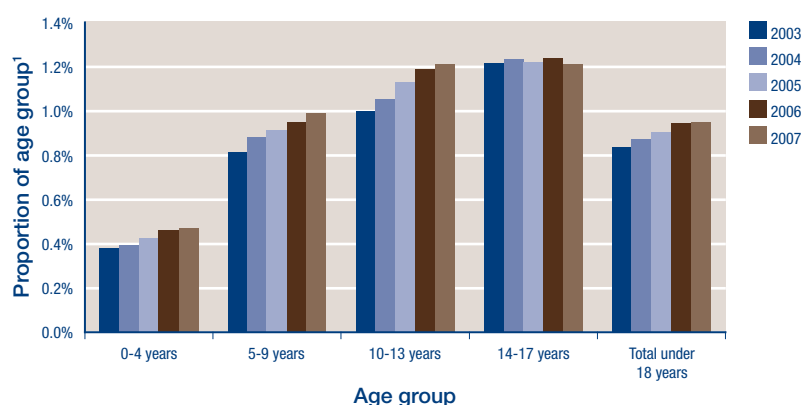
- Numbers of children recorded in SWIFT as being covered by an Unsupported Child's Benefit or an Orphan's Benefit being paid at the end of June.
- A client can receive Unsupported Child's Benefit or Orphan's Benefit payments for more than one child. Therefore, the number of children covered by Unsupported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

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

Since 2003, around 1% of all children aged under 18 years in the New Zealand population have been covered by an Unsupported Child's Benefit or an Orphan's Benefit. Throughout this period, 10–17 year olds have been more likely than younger children to be covered by one of these benefits (see figure 4.3).

figure
4.3

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



Note

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

See table A3.15 (Appendix 3) for a summary of the SWIFTT data underlying figure 4.3.

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

The number of Unsupported Child's Benefits and Orphan's Benefits granted each year has decreased over the last two years. Of the clients granted these benefits since 2002/2003, around 56% have had at least one dependent child aged under 14 years, including between 32% and 35% with a child aged under 10 years (see table 4.8).

table
4.8

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

Age of youngest dependent child when benefit granted	Unsupported Child's Benefits and Orphan's Benefits granted ¹				
	2002/2003 Number	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number
0-4 years	561	563	605	593	614
5-9 years	547	487	502	465	471
10-13 years	748	753	767	706	646
14-17 years	1,531	1,465	1,403	1,380	1,346
18-19 years	2	4	1	2	5
Unspecified	0	0	0	1	0
Not applicable ²	7	5	11	7	11
Total	3,396	3,277	3,289	3,154	3,093

Notes

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

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

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

table
4.9

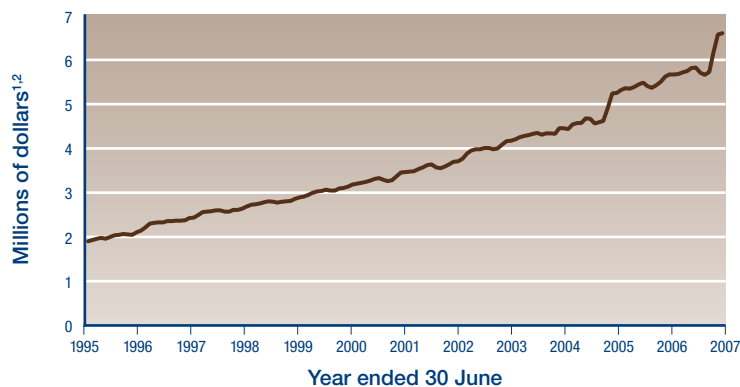
Trends in combined annual expenditure on Unsupported Child's Benefits and Orphan's Benefits

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

Notes

- 1 Expenditure on Unsupported Child's Benefits and Orphan's Benefits in years ended June, including expenditure on other supplementary benefits received by clients receiving an Orphan's Benefit or an Unsupported Child's Benefit.
- 2 Expenditure figures shown are adjusted to payment periods based on a standard 30-day month, and smoothed using a two-month moving average. Unsupported Child's Benefits and Orphan's Benefits are not subject to taxation.
- 3 Expenditure data in this table differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

The slight decrease in monthly combined expenditure on Unsupported Child's Benefits and Orphan's Benefits evident at the beginning of each calendar year (see figure 4.4) reflects a seasonal dip in applications in January, combined with ongoing cessations as children turn 18 years of age. The increase in April 2005 reflects a one-off \$15 increase across all the payment rates which replaced the usual annual general inflation adjustment. A further \$20 increase across all payment rates was made in April 2007, also replacing the usual annual general inflation adjustment.

figure
4.4**Trends in combined monthly expenditure on Unsupported Child's Benefits and Orphan's Benefits****Notes**

- 1 Monthly expenditure on Unsupported Child's Benefits and Orphan's Benefits, including expenditure on other supplementary benefits received by clients receiving an Orphan's Benefit or an Unsupported Child's Benefit.
- 2 Expenditure shown is adjusted to payment periods based on a standard 30-day month, and smoothed using a two-month moving average. Unsupported Child's Benefits and Orphan's Benefits are not subject to taxation.
- 3 Expenditure data in this graph differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

Table 7.2 (see Section 7) shows trends since 1940 in combined expenditure on Orphan's Benefits and Unsupported Child's Benefits, including expenditure on other supplementary benefits received by clients receiving these benefits. Please note that, from 1996, expenditure data shown in table 7.2 reflects deductions for:

- debts established
- clients receiving overseas pensions as well as an Orphan's Benefit or an Unsupported Child's Benefit.

The data in table 4.9 and figure 4.4 do not reflect these deductions.

Childcare Subsidy

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

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

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

- they are in employment, in training, or participating in an activity approved by Work and Income
- they or their child has a disability or serious illness.

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

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

Please note that information in this section indicates the number of children covered by a Childcare Subsidy received and granted. This information may therefore differ from other published information giving the number of clients receiving or granted a subsidy for one or more children.

Trends in the number of children covered by a Childcare Subsidy

The number of children covered by Childcare Subsidies has increased over the last three years. Sixty-three percent of the children covered by these subsidies in 2007 had caregivers who were not receiving any pension or main benefit, compared with 31% in 2002/2003. There was a corresponding decrease in the proportion who had caregivers receiving a carer's benefit (from 60% to 32%) (see table 4.10). This change, and the recent increases in the numbers of children covered by these subsidies, both largely reflect expansion of eligibility criteria for Childcare Subsidy under the Working for Families package.

table
4.10

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

Type of pension or main benefit paid to carer at the end of June	Children covered by a Childcare Subsidy ¹				
	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
Unemployment-related benefits ²	976	698	614	506	334
Carer's benefits ³	15,337	14,988	14,457	13,948	13,768
Sickness-related benefits ⁴	428	438	493	542	553
Invalid's Benefit	578	581	631	722	719
Widow's Benefit	109	101	90	95	67
Transitional Retirement Benefit ⁵	1	0	0	0	0
Emergency Benefit	168	153	158	159	150
New Zealand Superannuation	37	34	41	54	51
Veteran's Pension	4	3	0	0	1
No pension or main benefit ⁶	7,988	7,241	16,846	20,889	26,909
Total	25,626	24,237	33,330	36,915	42,552

Notes

- 1 Numbers of children recorded in SWIFTT as being covered by a Childcare Subsidy at the end of June. Please note that the timing of this extraction may be altered in some years shown, to avoid school holiday periods.
- 2 Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to trainees, and Independent Youth Benefits.
- 3 Includes Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone and Emergency Maintenance Allowances.
- 4 Includes Sickness Benefits and Sickness Benefits – Hardship.
- 5 This benefit was abolished on 1 April 2004.
- 6 Includes clients entitled to a Childcare Subsidy through receiving an Orphan's Benefit or an Unsupported Child's Benefit.

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

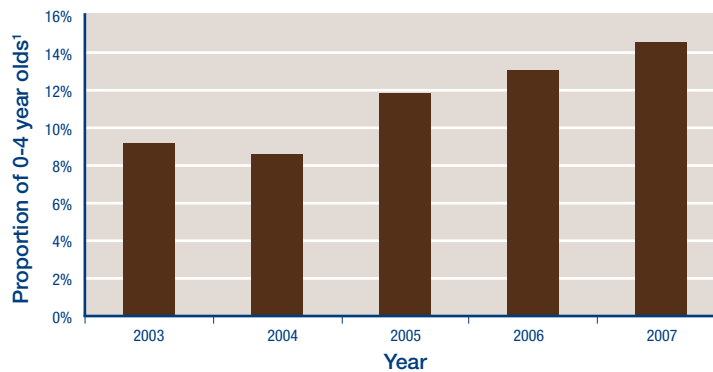
The proportion of all children aged under five years in the New Zealand population who are covered by a Childcare Subsidy has increased over the last three years, following a decrease between 2003 and 2004 (see figure 4.5).

This reflects a combination of:

- decreases since 2003 in the number of people receiving main benefits
- the impact of the widened eligibility of low-income working families resulting from the Working for Families package implemented in October 2004.

figure
4.5

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



Note

- ¹ Proportion shows:
- number of children aged under five years recorded in SWIFTT as being covered by a Childcare Subsidy at the end of June, divided by
 - Statistics New Zealand final estimate of the resident population aged under five years at the end of June.

See table A3.16 (Appendix 3) for a summary of the SWIFTT data underlying figure 4.5.

Trends in Childcare Subsidies granted

The number of Childcare Subsidies granted each year has increased over the last three years (see table 4.11). This reflects the combined impact of changes in the number of children aged under five years, reductions in numbers receiving carer's benefits, and broadened eligibility of low-income working families under Working for Families.

Fifty-seven percent of the children covered by Childcare Subsidies granted in 2006/2007 had caregivers who were not receiving any pension or main benefit, compared with 26% in 2003/2004. There was a corresponding decrease in the proportion with caregivers receiving carer's benefits (from 62% to 38%) (see table 4.11). Over the same period, the proportion of these children with caregivers in employment increased (from 24% to 36%), and decreases in the proportions with caregivers who were in education or training and who qualified for the subsidy on grounds of low income (see table 4.12).

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

Type of pension or main benefit paid to caregiver when Childcare Subsidy granted	Children covered by Childcare Subsidies granted ¹				
	2002/2003 Number	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number
Unemployment-related benefits ²	2,178	1,693	1,376	1,178	1,007
Carer's benefits ³	24,931	24,665	23,019	23,156	21,988
Sickness-related benefits ⁴	685	704	832	817	863
Invalid's Benefit	798	858	871	924	892
Widow's Benefit	162	136	111	126	95
Transitional Retirement Benefit ⁵	2	0	0	0	0
Emergency Benefit	277	281	279	271	279
New Zealand Superannuation	43	44	54	65	62
Veteran's Pension	5	0	2	0	
No pension or main benefit ⁶	10,898	10,099	24,023	26,565	32,864
Total	39,979	38,480	50,567	53,102	58,051

Notes

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

table
4.12**Trends in reasons for granting Childcare Subsidies**

Reason Childcare Subsidy granted	Children covered by Childcare Subsidies granted ¹				
	2002/2003 Number	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number
Disabled parent	620	665	601	681	846
Parent in employment	9,532	9,172	17,682	17,738	20,768
Child receiving Child Disability Allowance	927	1,120	1,448	1,810	2,176
Sibling receiving Child Disability Allowance	627	687	842	1,190	1,540
Sibling in hospital	8	13	13	10	20
Illness or injury	191	208	179	178	172
Parent in training or education	8,693	8,762	8,575	8,441	8,025
Insufficient income	19,381	17,852	21,227	23,054	24,504
Unspecified	0	1	0	0	0
Total	39,979	38,480	50,567	53,102	58,051

Note

- 1 Numbers of successful applications for Childcare Subsidies recorded in SWIFTT during years ended June.

OSCAR (Out-of-School Care and Recreation) Subsidy

An OSCAR Subsidy pays for out-of-school care for children aged 5–13 years. These subsidies were introduced in February 1999, to assist low- and middle-income families with the cost of approved out-of-school care and holiday programmes.

People can receive an OSCAR Subsidy for up to 20 hours per week in term time, and for up to 50 hours per week in school holidays if:

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

In October 2004, the income limits entitling families to receive an OSCAR Subsidy were raised under the Working for Families package. The hourly subsidy rates were also increased from 4 October 2004 to equal Childcare Subsidy rates, as well as being raised in line with inflation from 1 April 2005. Hourly rates for the subsidy were raised again from 3 October 2005.

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

Trends in the number of children covered by an OSCAR Subsidy

The number of children covered by an OSCAR Subsidy has increased since 2003 (see table 4.13). This reflects a combination of the Working for Families package (which widened eligibility and increased subsidy levels) and increased use of subsidies by carer's benefit recipients who are in education, training or employment.

Eighty percent of the children covered by an OSCAR subsidy in 2007 had caregivers who were receiving no pension or main benefit, compared with 52% in 2004. Over this period, the proportion with caregivers receiving a carer's benefit decreased (from 46% to 18%) (see table 4.13). This reflects the widened eligibility of low-income working families under the Working for Families package.

table
4.13

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

Type of pension or main benefit paid to caregiver at the end of June	Children covered by an OSCAR Subsidy ¹				
	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
Unemployment-related benefits ²	8	4	5	5	17
Carer's benefits ³	857	990	1,273	1,276	1,352
Sickness-related benefits ⁴	3	5	8	7	14
Invalid's Benefit	11	6	10	30	42
Widow's Benefit	9	8	11	13	19
Transitional Retirement Benefit ⁵	0	0	0	0	0
Emergency Benefit	0	3	3	2	3
New Zealand Superannuation	1	1	2	5	4
Veteran's Pension	0	0	0	0	
No pension or main benefit ⁶	959	1,094	2,973	4,308	5,924
Total	1,848	2,111	4,285	5,646	7,375

Notes

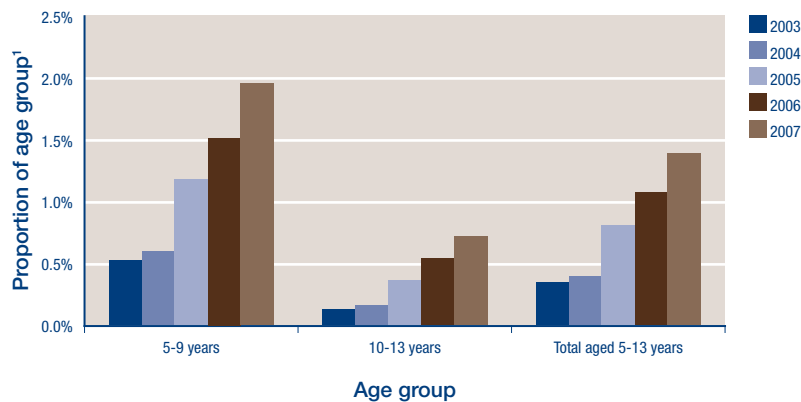
- 1 Numbers of children recorded in SWIFTT as being covered by an OSCAR Subsidy at the end of June.
- 2 Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to trainees, and Independent Youth Benefits.
- 3 Includes Domestic Purposes Benefits – Sole Parents,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

Trends in the proportion of children aged 5–13 years covered by an OSCAR Subsidy

Since 2004, the proportion of all children aged 5–13 years in the New Zealand population who were covered by an OSCAR Subsidy has increased significantly (see figure 4.6). This reflects the impact of widened eligibility of low-income working families under the Working for Families package. Since 2003, children aged 5–9 years have been more likely than children aged 10–13 years to be covered by a subsidy (see figure 4.6).

figure
4.6

Trends in the proportion of children aged 5–13 years covered by an OSCAR Subsidy, by age



Note

- 1 Proportion shows:
- number of children in age group recorded in SWIFTT as being covered by an OSCAR Subsidy at the end of June, divided by
 - bStatistics New Zealand final estimate of the resident population in age group at the end of June.

See table A3.17 (Appendix 3) for a summary of the SWIFTT data underlying figure 4.6.

Trends in OSCAR Subsidies granted

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

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

- receiving no pension or main benefit (from 45% to 75%) (see table 4.14)
- in employment (from 74% to 83%) (see table 4.15).

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

Type of pension or main benefit paid to caregivers when OSCAR Subsidy granted	Children covered by OSCAR Subsidies granted ¹				
	2002/2003 Number	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number
Unemployment-related benefits ²	43	60	58	39	61
Carer's benefits ³	4,983	5,115	5,775	6,573	6,387
Sickness-related benefits ⁴	19	25	33	37	89
Invalid's Benefit	80	55	85	131	244
Widow's Benefit	74	48	61	77	75
Transitional Retirement Benefit ⁵	0	0	0	0	0
Emergency Benefit	14	9	15	10	23
New Zealand Superannuation	1	6	4	12	12
Veteran's Pension	0	0	0	0	0
No pension or main benefit ⁶	4,452	4,385	9,380	14,950	20,730
Total	9,666	9,703	15,411	21,829	27,621

Notes

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

table
4.15**Trends in reasons for granting OSCAR Subsidies**

Reason OSCAR Subsidy granted	Children covered by OSCAR Subsidies granted ¹				
	2002/2003 Number	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number
Caregiver in employment	7,154	7,174	12,347	18,033	23,018
Caregiver in training or education	2,512	2,529	3,064	3,796	4,603
Total	9,666	9,703	15,411	21,829	27,621

Note

- 1 Numbers of successful applications for OSCAR Subsidies recorded in SWIFTT during years ended June.

Trends in combined expenditure on Childcare Subsidies and OSCAR Subsidies

Significant increases since 2003/2004 in combined expenditure on Childcare Subsidies and OSCAR Subsidies largely reflect the impact of the Working for Families package. These impacts included:

- widened eligibility for these subsidies since October 2004
- an increase in October 2004 in the hourly rate for both subsidies, which was additional to the regular Consumers Price Index (CPI) adjustment
- an increase in October 2004 in the rate of OSCAR subsidies, which made these rates equivalent to those for Childcare Subsidies
- an increase in October 2005 in the hourly rates of both subsidies, which was additional to the regular CPI adjustment
- increased income thresholds in October 2006 and increased income abatement thresholds in April 2007 (the first was to make 60% of couples with children eligible based on Census 2001 data, and the second to do so based on Census 2006 data).

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

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

table
4.16

Trends in combined annual expenditure on Childcare Subsidies and OSCAR Subsidies

Year ended June	Expenditure on Childcare Subsidy and OSCAR Subsidy ^{1,2,3} (\$m)
1995/1996	34
1996/1997	37
1997/1998	40
1998/1999	49
1999/2000	51
2000/2001	52
2001/2002	56
2002/2003	57
2003/2004	59
2004/2005	79
2005/2006	111
2006/2007	141

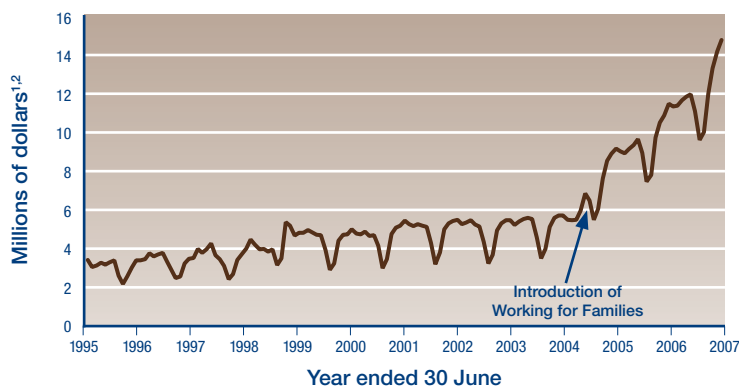
Notes

- 1 Expenditure on Childcare Subsidies and OSCAR Subsidies in years ended June.
- 2 Expenditure shown is adjusted to payment periods based on a standard 22-day working month and smoothed using a two-month moving average. Childcare Subsidies and OSCAR Subsidies are not subject to taxation.
- 3 Expenditure data in this table differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

The strong seasonal pattern in combined monthly expenditure on Childcare Subsidies and OSCAR Subsidies (see figure 4.7) reflects higher demand for this assistance during the school/academic year and a decrease in demand over the summer vacation period.

figure
4.7

Trends in combined monthly expenditure on Childcare Subsidies and OSCAR Subsidies



Notes

- 1 Expenditure is adjusted to payment periods based on a standard 22-day working month, and smoothed using a two-month moving average. Childcare Subsidies and OSCAR Subsidies are not subject to taxation.
- 2 Expenditure data in this graph differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

Disability Allowance

Please note that information reported below for Disability Allowances combines information on Disability Allowances, Disability Allowances – Telephone Support and the Disability Assistance Programme.

Eligibility for a Disability Allowance and related programmes

Disability Allowance

A Disability Allowance reimburses people for many types of actual and ongoing regular costs incurred because of a disability. In general, a Disability Allowance only covers costs that are not met or subsidised by other agencies. 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, ongoing supervision or ongoing treatment from a registered health professional
 - is likely to last at least six months
- extra ongoing costs directly related to their disability.

People receiving ACC support for extra costs related to their disability may receive a Disability Allowance for the proportion of those costs not met by ACC.

Disability Allowance – Telephone Support

A Disability Allowance – Telephone Support (also known as a Telephone Costs Payment) provides a telephone subsidy to people who were in receipt of telephone subsidies as at 31 March 1999 but who would lose their entitlement to these subsidies if they were assessed under the Disability Allowance criteria effective from 1 April 1999.

Disability Assistance Programme

The Disability Assistance Programme provided assistance to people who were receiving New Zealand Superannuation or a Veteran's Pension but who failed the income test for Disability Allowances due to the 1 April 2000 increase in the payment rates for New Zealand Superannuation and Veteran's Pension.

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

Trends in the number of people covered by a Disability Allowance

Please note that information in this section refers to the number of people covered by Disability Allowances received. This information may therefore differ from other published information concerning the number of Disability Allowance recipients, because some clients may be receiving allowance covering more than one member of their household.

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

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

Since 2005, around 51% of the people covered by Disability Allowance, or their caregivers, have been receiving New Zealand Superannuation, while around 23% have been receiving an Invalid's Benefit (see table 4.17).

table
4.17

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

Type of pension or main benefit paid to the client or caregiver at the end of June	People covered by a Disability Allowance ¹				
	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
Unemployment-related benefits ²	6,421	5,142	3,372	2,661	1,717
Carer's benefits ³	22,322	23,470	20,103	18,114	16,961
Sickness-related benefits ⁴	19,082	21,744	21,484	21,515	21,235
Invalid's Benefit	52,809	55,531	52,107	52,191	54,923
Widow's Benefit	2,642	2,793	2,464	2,305	2,043
Transitional Retirement Benefit ⁵	804	0	0	0	0
Emergency Benefit	2,237	2,662	2,914	3,274	3,581
New Zealand Superannuation	105,139	111,830	115,736	118,028	119,919
Veteran's Pension	2,847	3,248	3,520	3,777	4,062
No pension or main benefit ⁶	4,737	4,965	5,134	5,855	6,773
Total	219,040	231,385	226,834	227,720	231,214

Notes

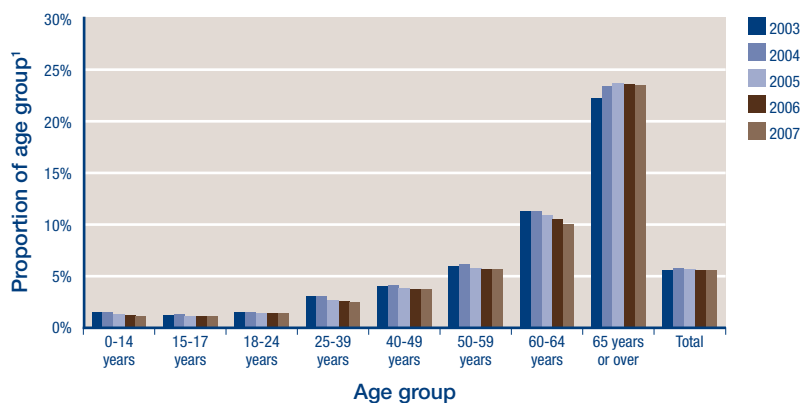
- 1 Numbers of clients recorded in SWIFT as being covered by a Disability Allowance at the end of June.
- 2 Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people or to trainees, and Independent Youth Benefits.
- 3 Includes Domestic Purposes Benefits – Sole Parents,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

Trends in the proportion of the New Zealand population covered by a Disability Allowance

Since 2003, around 5% of the New Zealand population have been covered by a Disability Allowance (see figure 4.8). The stability of this trend reflects the long-term nature of many of the treatment-related costs faced by clients receiving an allowance. Throughout this period, people aged 60 years or over have been significantly more likely than younger people to be covered by an allowance (see figure 4.8), reflecting the impact of ageing on the incidence of long-term or permanent health or disability issues.

figure
4.8

Trends in the proportion of the New Zealand population covered by a Disability Allowance, by age



Note

- 1 Proportion shows:
 - a number of people in age group recorded in SWIFT as being covered by a Disability Allowance at the end of June, divided by
 - b Statistics New Zealand final estimate of the resident population in age group at the end of June.

See table A3.18 (Appendix 3) for a summary of the SWIFTT data underlying figure 4.8.

Trends in Disability Allowances granted

The annual number of Disability Allowances granted remained relatively stable over the last year, after decreasing for the previous two years. Forty-two percent of the clients granted allowances in 2006/2007, or their caregivers, were receiving an Invalid's Benefit or a sickness-related benefit, compared with 36% in 2002/2003. Over the same period, around 27% of these clients were receiving New Zealand Superannuation (see table 4.18).

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

table
4.18

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

Type of pension or main benefit paid when Disability Allowance granted	Disability Allowances granted ¹				
	2002/2003 Number	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number
Unemployment-related benefits ²	8,055	7,687	6,256	5,072	4,133
Carer's benefits ³	10,965	12,033	10,437	9,692	9,169
Sickness-related benefits ⁴	16,459	19,396	19,375	19,180	19,218
Invalid's Benefit	12,050	12,203	11,895	11,663	13,505
Widow's Benefit	997	1,133	896	870	671
Transitional Retirement Benefit ⁵	1,285	496	0	0	0
Emergency Benefit	1,280	1,569	1,663	1,767	1,727
New Zealand Superannuation	21,909	22,265	21,360	21,086	20,234
Veteran's Pension	729	843	916	961	969
No pension or main benefit ⁶	5,437	6,084	6,491	7,133	8,053
Total	79,166	83,709	79,289	77,424	77,679

Notes

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

Trends in expenditure on Disability Allowances

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

The slower increase of expenditure on Disability Allowances in 1998/1999 and 1999/2000 was due to falling average rates of Disability Allowances being paid, combined with ongoing increases in numbers receiving Disability Allowances.

table
4.19

Trends in annual expenditure on Disability Allowances

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

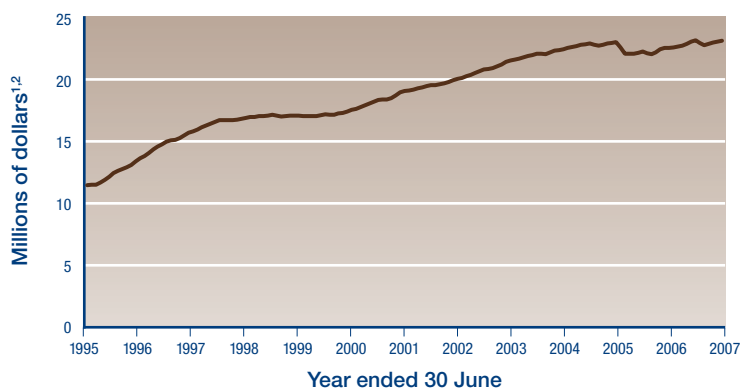
Notes

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

Monthly expenditure on Disability Allowances shows no marked seasonal changes (see figure 4.9). The short-term drop in monthly expenditure on Disability Allowance in early 2005/2006 reflects the impact of the transfer of payments for vocational service fees from Disability Allowances to a non-departmental output class.

figure
4.9

Trends in monthly expenditure on Disability Allowances



Notes

- 1 Expenditure is adjusted to payment periods based on a standard 30-day month and smoothed using a two-month moving average. Disability Allowances are not subject to taxation.
- 2 Expenditure data in this graph differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

Child Disability Allowance

A Child Disability Allowance is a fortnightly payment that can be made to the principal caregiver of a child who requires constant care and attention because of a physical or mental 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 an allowance must be:

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

The allowance is not means tested.

Since 2003, between 16% and 20% of children covered by a Child Disability Allowance have also been covered by a Disability Allowance. In these cases, Disability Allowances are paid to reimburse the direct costs arising from the child's disability.

Trends in the number of children covered by a Child Disability Allowance

Please note that information in this section shows the number of children covered by Child Disability Allowances received. This information may therefore differ from other published information showing the number of clients receiving an allowance that may cover one or more children.

Increases since 2003 in the number of children covered by a Child Disability Allowance (see table 4.20) reflect increasing numbers of children being granted an allowance and operational changes as well as the long-term nature of the conditions these children have. Enhancements to administration processes were introduced in July 2004 (including annual reviews and reminders that children reaching the age of 16 may be eligible for Invalid's Benefits. This change initially led to an increase in recipients in July and August 2004, but numbers fell subsequently. There was a further policy change from April 2007 which meant that Child Disability Allowance payments are no longer suspended under the annual review process if recipients do not return their annual review form.

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

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

Age of child at the end of June	Children covered by a Child Disability Allowance ¹				
	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
0–4 years	6,179	7,368	7,581	8,237	8,899
5–9 years	9,009	10,360	11,115	12,200	13,172
10–13 years	7,630	8,470	8,872	9,643	10,420
14–17 years	4,435	5,162	5,376	6,028	6,547
18–19 years	89	111	106	98	107
20 years or over	0	0	0	1	0
Total	27,342	31,471	33,050	36,207	39,145

Notes

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

Sixty-two percent of the children covered by a Child Disability Allowance in 2007 had caregivers who were not receiving any pension or main benefit, compared with 57% in 2003. There was a corresponding decrease in the proportion with caregivers who were receiving a carer's benefit (see table 4.21).

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

Type of pension or main benefit paid to caregivers at the end of June	Children covered by a Child Disability Allowance ¹				
	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
Unemployment-related benefits ²	905	712	579	501	348
Carer's benefits ³	8,344	9,940	10,053	10,598	10,950
Sickness-related benefits ⁴	632	769	742	831	865
Invalid's Benefit	1,352	1,606	1,740	1,860	1,995
Widow's Benefit	156	161	171	177	174
Transitional Retirement Benefit ⁵	2	0	0	0	0
Emergency Benefit	193	227	209	232	225
New Zealand Superannuation	129	144	152	164	190
Veteran's Pension	5	3	3	3	3
No pension or main benefit ⁶	15,624	17,909	19,401	21,841	24,395
Total	27,342	31,471	33,050	36,207	39,145

Notes

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

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

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

4 Includes Sickness Benefits and Sickness Benefits – Hardship.

5 This benefit was abolished on 1 April 2004.

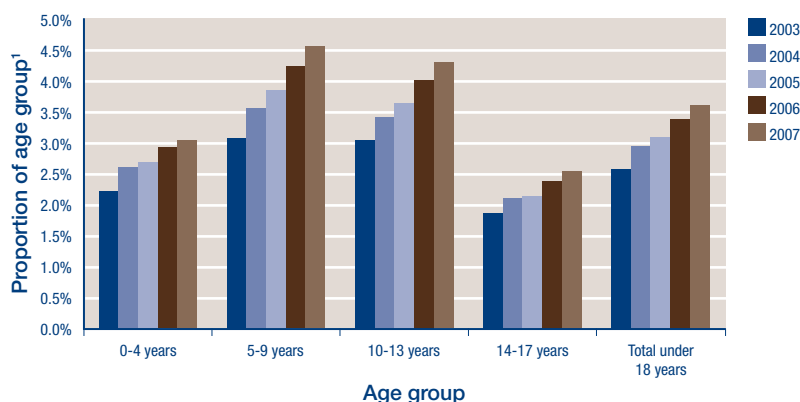
6 Includes clients entitled to a Child Disability Allowance through receiving an Orphan's Benefit or an Unsupported Child's Benefit.

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

Increases since 2003 in the proportion of all children aged under 18 years in the New Zealand population who are covered by a Child Disability Allowance (see figure 4.10) reflect the long-term nature of the conditions that children eligible for an allowance have. Throughout this period, children aged 5–13 have been more likely than other children aged under 18 years to be covered by these allowances.

figure
4.10

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



Note

- 1 Proportion shows:
- number of children in age group recorded in SWIFTT as being covered by a Child Disability Allowance at the end of June, divided by
 - Statistics New Zealand final estimate of the resident population in age group at the end of June.

See table A3.19 (Appendix 3) for a summary of the SWIFTT data underlying figure 4.10.

Trends in Child Disability Allowances granted

The number of Child Disability Allowances granted each year has increased since 2002/2003. Fifty-two percent of the children covered by an allowance granted in 2006/2007 had caregivers receiving no pension or main benefit, compared with 45% in 2002/2003. Over the same period, between 36% and 39% of these children had caregivers who were receiving carer's benefits (see table 4.22).

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

Type of pension or main benefit paid when Child Disability Allowance granted	Child Disability Allowances granted ¹				
	2002/2003 Number	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number
Unemployment-related benefits ²	482	386	294	238	209
Carer's benefits ³	3,011	3,512	3,336	3,515	3,490
Sickness-related benefits ⁴	274	275	269	326	344
Invalid's Benefit	381	435	382	383	461
Widow's Benefit	49	46	45	42	41
Transitional Retirement Benefit ⁵	3	0	0	0	0
Emergency Benefit	72	88	87	88	89
New Zealand Superannuation	41	40	38	41	47
Veteran's Pension	2	2	0	0	0
No pension or main benefit ⁶	3,507	4,094	4,670	5,042	5,338
Total	7,822	8,878	9,121	9,675	10,019

Notes

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

Trends in expenditure on Child Disability Allowances

Increases since 1995/1996 in annual expenditure on Child Disability Allowances (see table 4.23) largely reflect increases in the number of children covered by an allowance.

table
4.23**Trends in annual expenditure on Child Disability Allowances**

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

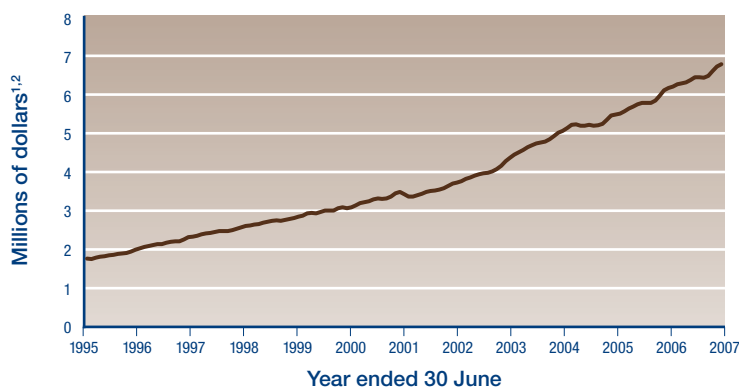
Notes

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

Little seasonal variation is evident in monthly expenditure on Child Disability Allowances (see figure 4.11). A short halt to the increases during late 2000/2001 and early 2001/2002 arose from a review of overdue medical reviews, which led to a temporary fall in the number of Child Disability Allowance recipients.

figure
4.11

Trends in monthly expenditure on Child Disability Allowances



Notes

- 1 Expenditure is adjusted to payment periods based on a standard 30-day month and smoothed using a two-month moving average. Child Disability Allowances are not subject to taxation.
- 2 Expenditure data in this graph differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

Training Incentive Allowance

A Training Incentive Allowance provides non-taxable assistance to people undertaking employment-related training that will:

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

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

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

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

Since 1999:

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

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

- attracts Student Component funding or other government funding as specified by the Tertiary Education Commission's quality and relevance standards for student loans or allowances, or
- is an explicitly specified course that is considered to meet quality and relevance criteria but which is not Student Component funded, such as Training Opportunities courses, secondary school courses, or university pre-employment courses.

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

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

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

Trends in the number of clients receiving Training Incentive Allowances

The number of clients receiving one or more allowances in a calendar year has decreased over the last three years (see table 4.24). This reflects the impact of both the policy changes outlined above and changes in numbers receiving carer's benefits, Invalid's Benefits and Widow's Benefits. Since 2003, between 83% and 86% of the allowances paid have been provided to clients receiving a carer's benefit, with most of the remainder provided to clients receiving an Invalid's Benefit (see table 4.24).

table
4.24

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

Type of main benefit received when first Training Incentive Allowance in the year was granted	Training Incentive Allowances granted ¹				
	2002 Number	2003 Number	2004 Number	2005 Number	2006 Number
Carer's benefits ²	17,984	19,374	18,650	16,046	13,635
Invalid's Benefit	2,575	2,685	2,740	2,870	2,635
Widow's Benefit	353	349	369	299	253
Other main benefits	60	45	25	0	0
Total	20,972	22,453	21,784	19,215	16,523

Notes

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

Trends in expenditure on Training Incentive Allowances

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

table
4.25

Trends in annual expenditure on Training Incentive Allowances

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

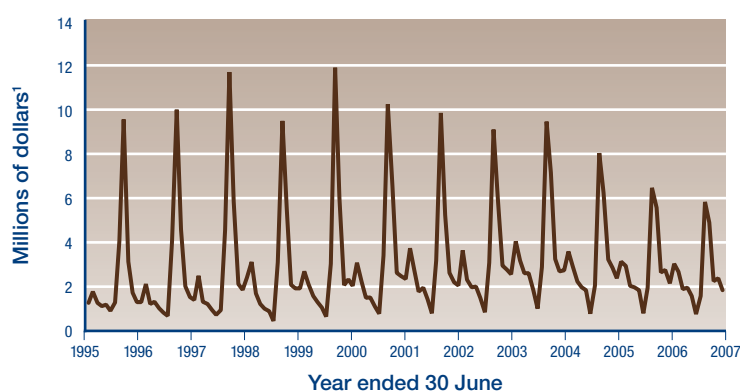
Notes

- 1 Expenditure on Training Incentive Allowances in years ended December. Please note that previous reports showed expenditure on Training Incentive Allowances in years ended June.
- 2 Expenditure data shown has not been smoothed. Training Incentive Allowances are not subject to taxation.

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

figure
4.12

Trends in monthly expenditure on Training Incentive Allowances



Note

- 1 Expenditure on Training Incentive Allowances has not been smoothed. Training Incentive Allowances are not subject to taxation.

Residential Care Subsidy and Residential Support Subsidy

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

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

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

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

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

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

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

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

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

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

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

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

- around 67% of these clients have been receiving New Zealand Superannuation, while around 28% have been receiving an Invalid's Benefit (see table 4.26)
- around 51% have been aged 80 years or over (see table 4.27).

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

Type of pension or main benefit paid at the end of June	Work and Income clients with a Residential Care Subsidy or Residential Support Subsidy ¹				
	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
Unemployment-related benefits ²	12	19	14	5	2
Carer's benefits ³	17	13	14	14	20
Sickness-related benefits ⁴	622	536	519	522	434
Invalid's Benefit	7,513	7,531	7,706	7,664	7,706
Widow's Benefit	13	13	16	15	10
Transitional Retirement Benefit ⁵	10	0	0	0	0
Emergency Benefit	139	165	221	258	271
New Zealand Superannuation	14,406	14,361	14,119	17,941	17,701
Veteran's Pension	281	304	306	450	464
No pension or main benefit ⁶	50	51	56	86	88
Total	23,063	22,993	22,971	26,955	26,696

Notes

- Numbers of clients recorded in SWIFT as having their main benefit or pension (less a personal allowance) paid to a health provider at the end of June under the Residential Support Subsidy scheme or under the Residential Care Subsidy scheme.
- Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to trainees, and Independent Youth Benefits.
- Includes Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone and Emergency Maintenance Allowances.
- Includes Sickness Benefits and Sickness Benefits – Hardship.
- This benefit was abolished on 1 April 2004.
- Includes clients receiving an Orphan's Benefit or an Unsupported Child's Benefit.

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

Age of client at the end of June	Work and Income clients with a Residential Care Subsidy or a Residential Support Subsidy ¹				
	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
Under 18 years	53	58	70	79	62
18–19 years	128	120	142	155	161
20–24 years	620	561	583	550	516
25–29 years	717	676	656	640	628
30–34 years	1,030	959	887	863	763
35–39 years	1,058	1,029	1,050	992	992
40–44 years	1,136	1,175	1,175	1,132	1,084
45–49 years	968	962	1,036	1,118	1,167
50–54 years	865	872	929	932	963
55–59 years	752	800	815	835	889
60–64 years	673	698	730	753	787
65–69 years	910	906	926	991	1,038
70–74 years	1,515	1,483	1,461	1,564	1,505
75–79 years	2,383	2,392	2,297	2,685	2,593
80 years or over	10,255	10,302	10,214	13,666	13,548
Total	23,063	22,993	22,971	26,955	26,696

Note

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

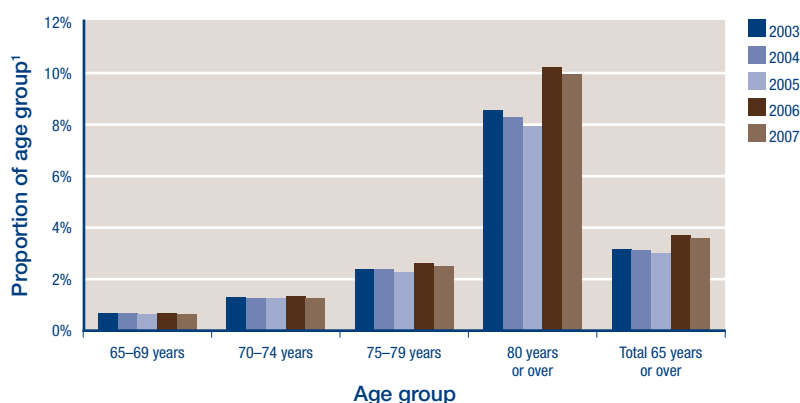


Trends in the proportion of people aged 65 years or over who are Work and Income clients with a Residential Care Subsidy paid towards the cost of their care

The proportion of all people aged 65 years or over in the New Zealand population who are Work and Income clients with a Residential Care Subsidy showed little change in the last year, after increasing significantly between 2005 and 2006 (see figure 4.13). This increase reflected the increased asset threshold for eligibility for these subsidies, and is particularly evident among people aged 80 years or over (reflecting the dominance of this age group among users of these subsidies). Throughout this period, the proportion of people in each age group who are Work and Income clients with a subsidy has increased with the increasing age of the clients (see figure 4.13), reflecting the health and medical impacts of ageing.

figure
4.13

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



Note

1 Proportion shows:

- a number of Work and Income clients in age group recorded in SWIFTT as having their main benefit or pension (less a personal allowance) paid to a health provider at the end of June under the Residential Support Subsidy scheme or under the Residential Care Subsidy scheme, divided by
- b Statistics New Zealand final estimate of the resident population in age group at the end of June.

See table A3.20 (Appendix 3) for a summary of the SWIFTT data underlying figure 4.13.

Trends in Work and Income clients who are found to be financially eligible for Residential Care Subsidies or take up Residential Support Subsidies

Please note that successful applications to Work and Income for:

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

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

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

In 2006/2007, 60% of these Work and Income clients were receiving New Zealand Superannuation, compared with 72% in 2005/2006. The proportions of these clients who were receiving Invalid's Benefits or sickness-related benefits showed a corresponding increase (see table 4.28).

table
4.28

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

Type of pension or main benefit paid when financial eligibility for Residential Care Subsidy is established or Residential Support Subsidy is taken up	Number of successful applications for Residential Care Subsidies and Residential Support Subsidies ¹				
	2002/2003 Number	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number
Unemployment-related benefits ²	40	33	28	16	10
Carer's benefits ³	125	81	99	103	90
Sickness-related benefits ⁴	1,878	1,751	1,482	1,430	1,559
Invalid's Benefit	1,820	1,703	1,885	1,665	1,967
Widow's Benefit	5	11	8	6	2
Transitional Retirement Benefit ⁵	3	2	0	0	0
Emergency Benefit	79	92	124	119	117
New Zealand Superannuation	5,104	4,922	4,683	9,627	5,932
Veteran's Pension	126	140	150	310	238
No pension or main benefit ⁶	21	23	32	60	50
Total	9,201	8,758	8,491	13,336	9,965

Notes

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

Hardship assistance

This consists of:

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

Trends in the use of hardship assistance are affected by changes in overall incomes and costs faced by individuals and families. Since 2003/2004, the introduction and expansion of the Working for Families package has contributed to a decrease in the utilisation of hardship assistance by families with children.

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

Temporary Additional Support and Special Benefit

Temporary Additional Support

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

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

- ensure that they are receiving all other assistance available to them
- show that they face a deficiency of income after having taken reasonable steps to reduce their costs and increase their income.

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

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

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

Special Benefit

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

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

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

- before 1 April 2006, or
- (after 1 April 2006) to clients who had received a Special Benefit before 1 April 2006.

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

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

- decreased numbers receiving unemployment-related benefits or carer's benefits, whose users are most likely to use Special Benefits or Temporary Additional Assistance
- increased levels of assistance available to many low-income families under the Working for Families package.

The increase between 2003 and 2004 in the number of clients receiving Special Benefit reflects the success of several initiatives aimed at ensuring full and correct entitlement.

Temporary Additional Support accounted for 36% of the combined assistance being paid in 2007, compared with 9% in 2006 (see table 4.29).

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

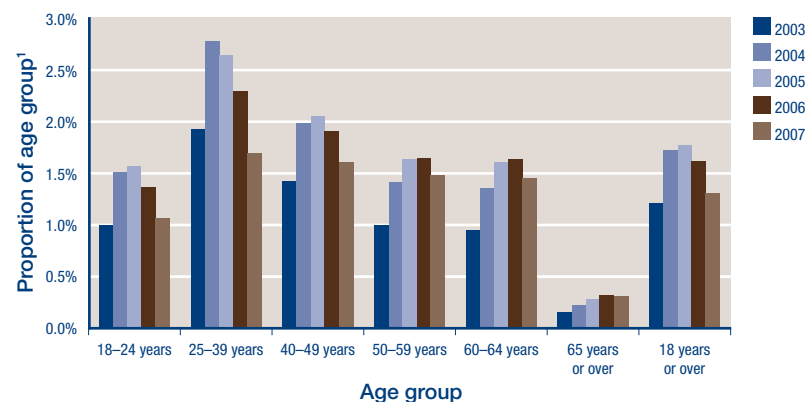
Type of hardship assistance received at the end of June	Clients receiving Temporary Additional Support or a Special Benefit ¹				
	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
Temporary Additional Support	0	0	0	4,555	14,834
Special Benefits ²	35,380	51,451	53,255	44,778	26,085
Total	35,380	51,451	53,255	49,333	40,919

Notes

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

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

The proportion of all people aged 18 years or over in the New Zealand population who are receiving a Special Benefit or Temporary Additional Support has decreased for the last two years, following increases between 2003 and 2005 (see figure 4.14). This reflects both decreased numbers receiving carer's benefits and increases in assistance with childcare costs available under Working for Families. Since 2003, the proportion of people aged 25 years or over receiving this assistance has fallen with age (see figure 4.14).

figure
4.14**Trends in the proportion of people aged 18 years or over receiving Temporary Additional Support or a Special Benefit, by age**

Note

- 1 Proportion shows:
 a number of people in each age group recorded in SWIFTT as receiving a Special Benefit or Temporary Additional Support at the end of June, divided by
 b Statistics New Zealand final estimate of the resident population in age group at the end of June.

See table A3.21 (Appendix 3) for a summary of the SWIFTT data underlying figure 4.14.

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

The combined number of clients granted Temporary Additional Support or Special Benefit has fluctuated over the last two years. Temporary Additional Support accounted for 89% of the combined assistance granted in 2006/2007 (see table 4.30). This dominance of Temporary Additional Support among assistance granted reflects restricted eligibility for Special Benefits from 1 April 2006.

The larger number of Temporary Additional Support grants in 2006/2007 (compared with numbers of Special Benefits granted between 2002/2003 and 2004/2005) reflects the shorter period which Temporary Additional Assistance is granted for.

table
4.30

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

Type of hardship assistance granted	Clients granted Temporary Additional Support or a Special Benefit ¹				
	2002/2003 Number	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number
Temporary Additional Support	0	0	0	5,756	64,210
Special Benefits ²	52,981	72,318	72,690	57,146	7,569
Total	52,981	72,318	72,690	62,902	71,779

Notes

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

Trends in annual expenditure on Temporary Additional Support and Special Benefits

Decreases over the last two years in combined expenditure on Temporary Additional Support and Special Benefits (see table 4.31) reflect a combination of decreases in the number of clients receiving unemployment-related assistance and carer's benefits, increased assistance to low-income families available through Working for Families, and the replacement of new Special Benefits with Temporary Additional Support from April 2006.

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

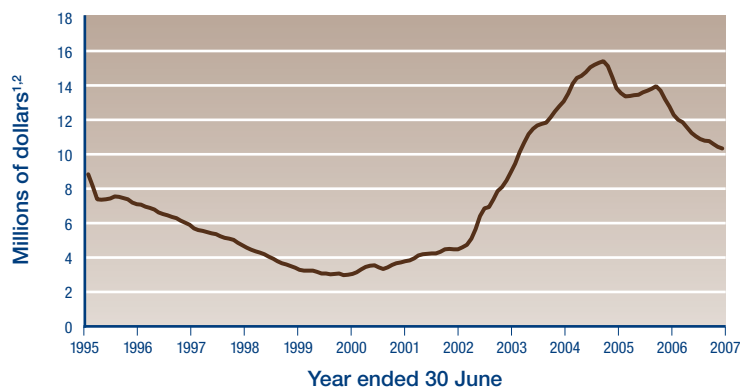
table
4.31**Trends in combined annual expenditure on Temporary Additional Support and Special Benefits**

Year ended June	Expenditure on Special Benefits ^{1,2,3} (\$m)
1995/1996	87
1996/1997	74
1997/1998	59
1998/1999	44
1999/2000	34
2000/2001	39
2001/2002	48
2002/2003	79
2003/2004	137
2004/2005	174
2005/2006	160
2006/2007	132

Notes

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

Monthly expenditure on Temporary Additional Support and Special Benefits shows little seasonal variation, and tends to follow patterns in the numbers of people receiving this assistance and the rate at which assistance is paid (see figure 4.15). These patterns in turn reflect factors including the numbers of clients receiving unemployment-related assistance and carer's benefits, increased assistance to low-income families available through Working for Families, and the replacement of new Special Benefits with Temporary Additional Support from April 2006.

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

- 1 Expenditure is adjusted to payment periods based on a standard 30-day month and smoothed using a two-month moving average. Special Benefits and Temporary Additional Support are not subject to taxation.
- 2 Expenditure data in this graph differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

Trends in the number of clients receiving a Special Benefit

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

- extra income available for low-income households since 1 October 2004 as a result of the Working for Families package
- the replacement of new Special Benefits with Temporary Additional Support from April 2006
- reducing numbers of clients claiming unemployment-related assistance and carer's benefits.

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

Thirty-two percent of Special Benefit recipients in 2007 were receiving an Invalid's Benefit, compared with 18% in 2004. There were decreases over this period in the proportions of recipients who were receiving unemployment-related benefits and carer's benefits (see table 4.32). These changes reflect changes in benefit use.

**table
4.32**

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

Type of pension or main benefit paid at the end of June	Clients receiving a Special Benefit ¹				
	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
Unemployment-related benefits ²	4,046	4,514	4,015	2,417	666
Carer's benefits ³	16,632	25,553	24,600	20,160	11,116
Sickness-related benefit ⁴	4,279	6,536	7,736	6,496	3,270
Invalid's Benefit	6,572	9,280	11,150	10,969	8,328
Widow's Benefit	479	741	748	651	417
Transitional Retirement Benefit ⁵	31	0	0	0	0
Emergency Benefit	573	833	839	765	487
New Zealand Superannuation	537	794	1,019	1,127	933
Veteran's Pension	3	2	1	0	0
No pension or main benefit ⁶	2,228	3,198	3,147	2,193	868
Total	35,380	51,451	53,255	44,778	26,085

Notes

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

Trends in Special Benefits granted

The number of Special Benefits granted each year has decreased over the last two years, after increasing between 2002/2003 and 2004/2005 (see table 4.33). This decrease reflects a combination of the unavailability of new Special Benefits after 1 April 2006 and the increased income available to low-income households as a result of the Working for Families package. The small number of benefits granted after this date reflect renewals of Special Benefit for clients previously receiving it.

Twenty-six percent of the clients granted Special benefits in 2006/2007 were receiving no pension or main benefit, compared with 10% in 2003/2004. There was a corresponding decrease in the proportion of these clients who were receiving a carer's benefit (see table 4.33).

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

Type of pension or main benefit paid when Special Benefit granted	Special Benefits granted ¹				
	2002/2003 Number	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number
Unemployment-related benefits ²	10,275	13,722	13,521	10,549	1,200
Carer's benefits ³	21,913	29,522	26,203	19,137	1,545
Sickness-related benefit ⁴	8,113	11,671	13,254	10,939	1,121
Invalid's Benefit	5,812	7,239	7,725	6,224	1,178
Widow's Benefit	626	785	634	488	56
Transitional Retirement Benefit ⁵	66	36	0	0	0
Emergency Benefit	865	1,309	1,356	1,102	157
New Zealand Superannuation	609	750	905	887	341
Veteran's Pension	5	4	2	4	0
No pension or main benefit ⁶	4,697	7,280	9,090	7,816	1,971
Total	52,981	72,318	72,690	57,146	7,569

Notes

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

Trends in the number of clients receiving Temporary Additional Support

Since its implementation in April 2006, the number of clients receiving Temporary Additional Support has increased rapidly, from 713 at the end of April 2006 to 4,555 at the end of June 2006 and to 14,834 at the end of June 2007.

Since 2006, around 37% of the clients receiving Temporary Additional Support were being paid a carer's benefit, while around 26% were receiving a sickness-related benefit.

Trends in the number of clients granted Temporary Additional Support

The number of clients granted Temporary Additional Support has increased rapidly over the last year, from 5,756 over the last three months of 2005/2006 to 64,210 in 2006/2007. This reflects both the role of Temporary Additional Support as the replacement for Special Benefit for most clients and the restricted timeframe for which Temporary Additional Support is paid before requiring review.

Trends in expenditure on Temporary Additional Support

Expenditure on Temporary Additional Support in the 2006/2007 financial year totalled \$25 million. During the last three months of the 2005/2006 financial year, expenditure on this assistance totalled around \$1 million.

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 who have no other way of paying to meet that need. Most Special Needs Grants are non-recoverable. Recoverable Special Needs Grants have to be repaid to Work and Income.

Special Needs Grants are available both to people who are receiving main benefits and to people who are not. Residency, income and cash asset tests apply.

As well as lump sums to meet a range of specific expenses, Special Needs Grants include re-establishment grants targeted at particular groups of clients. Clients who may be eligible for re-establishment grants include:

- released prisoners
- refugees
- sole parents who have been victims of domestic violence.

Recoverable Assistance Programme payments

The Recoverable Assistance Programme was introduced on 1 July 1996 to provide recoverable assistance to low-income earners not receiving main benefits. Any low-income earner may apply for assistance with immediate and essential expenses under the Recoverable Assistance Programme.

The Recoverable Assistance Programme was designed to replace most recoverable Special Needs Grants, which had previously been available to people who were not receiving benefits.

This programme provides non-taxable, interest-free recoverable financial assistance to non-beneficiaries, to enable them to meet essential immediate needs for specific items or services. Under this programme, clients may have access to Recoverable Assistance payments up to a maximum value of six weeks' worth of an Invalid's Benefit or the maximum amount allowed for specific cost categories.

In approving a payment under the Recoverable Assistance Programme, Work and Income staff must:

- consider whether a such a payment would best meet the immediate need
- investigate other sources of assistance
- investigate the client's ability to repay the payment.

In order to receive these payments, clients must:

- meet income and cash asset tests
- be able to identify a particular immediate need for an essential item or service
- meet residency requirements.

Income and asset limits for qualification for a payment and the maximum amounts available vary according to the age and circumstances of the applicant (see table 4.34). In exceptional circumstances, clients may be granted a payment if their cash assets exceed the limit shown in table 4.34.

table
4.34

Income limits, cash asset limits and maximum payments for the Recoverable Assistance Programme (applicable from 1 April 2007)

Client category	Cash asset limit	Income limit ^{1,2}	Maximum payment ¹
Single person 16–17 years	\$892.69	\$21,203.00	\$1083.24
Single person 18 years or over	\$892.69	\$24,369.28	\$1338.60
Married couple with or without children	\$1,487.46	\$35,394.32	\$2231.04
Sole parent with one child	\$1,487.46	\$29,570.32	\$1758.48
Sole parent with two or more children	\$1,487.46	\$31,153.72	\$1758.48

Notes

1 Asset limits, income limits and maximum payments applicable from 1 April 2007.

2 Income limits shown are gross of income tax.

Maximum payments apply under the Recoverable Assistance Programme for a number of purposes. The maximum payments applicable from 1 April 2007 are shown in table 4.35.

**table
4.35**

Maximum payments from the Recoverable Assistance Programme for specific purposes (applicable from 1 April 2007)

Payment purpose	Status ¹	Maximum payment ²
Ambulance subscription fees		\$200.00
Attendance at funerals and tangihanga		\$200.00
Beds, chairs and tables		\$200.00
Bonds and rent		\$600.00
Car repairs		\$400.00
Car seats and safety helmets		\$200.00
Clothing	Single client without children	\$150.00
	Married without children	\$300.00
	Single or married with children	\$400.00
Dentures, glasses, contact lenses and hearing aids		\$1,000.00
Drivers licence – renewals	Client aged under 75 years	\$44.30
	Client aged 75–79 years	\$18.30
	Client aged 80 years or over	\$59.30
Drivers licences – new	Learner licence	\$79.00
	Restricted Licence	\$88.20
	Full Licence	\$115.10
Electricity, gas or water		\$200.00
Fire, loss or burglary		\$1,000.00
Other emergency payments		\$200.00
School exam fees		\$200.00
School stationery		\$200.00
School uniforms (for each dependent child)		\$300.00
Telephone installation		\$200.00
Tenancy tribunal fees		\$20.00
Travel for stranded persons		\$200.00
Washing machines and fridges		\$400.00

Notes

- 1 “Married” includes people who are married, living as married, or in a civil union.
- 2 Maximum payments shown are applicable from 1 April 2007.

Benefit advances

Advance payments of main benefits enable benefit recipients to meet one-off immediate and essential needs that they cannot meet from their regular income. The advance is recovered from subsequent payments of the benefit, or through ongoing repayments if the client ceases to receive a benefit.

Since 9 October 1995, benefit advances of up to six weeks’ worth of the main benefit received have been available to all recipients of main benefits. At the same date, most recoverable Special Needs Grants provided to people receiving a main benefit were reclassified as benefit advances.

Trends in the use of lump sum hardship assistance

The annual number of payments of lump sum hardship assistance has decreased since 2003/2004, driven by decreases in the use of non-recoverable Special Needs Grants and benefit advances (see table 4.36). This decrease reflects the impacts of a combination of:

- decreasing numbers receiving main benefits
- the increased availability and level of supplementary benefits and tax credits resulting from the Working for Families package.

Since 2002/2003, around 51% of the hardship assistance payments provided have been non-recoverable Special Needs Grants, while around 44% have been benefit advances (which are recoverable). The number of payments made under the Recoverable Assistance Programme increased over this period, although at a slower rate since 2004/2005 (see table 4.36).

table
4.36

Trends in the types of lump sum hardship assistance payments made

Type of lump sum hardship assistance	Lump sum hardship assistance payments ¹				
	2002/2003 Number	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number
Non-recoverable lump sum hardship assistance					
Special Needs Grants (non-recoverable)	387,791	395,746	384,880	376,537	346,177
Recoverable lump sum hardship assistance					
Special Needs Grants (recoverable)	14,776	16,615	16,625	16,854	17,102
Recoverable Assistance Programme	13,905	16,797	21,022	23,347	24,495
Benefit advances	325,590	343,263	339,349	327,147	304,448
Total recoverable assistance	354,271	376,675	376,996	367,348	346,045
All lump sum hardship assistance					
Total lump sum hardship assistance	742,062	772,421	761,876	743,885	692,222

Note

¹ Numbers of lump sum hardship assistance payments recorded in SWIFTT in years ended June.

Trends in the use of Special Needs Grants and benefit advances

The combined number of Special Needs Grants and benefit advances has decreased over the last three years (see table 4.37). These decreases reflect both reduced use of benefits and increased financial assistance for low-income families available under the Working for Families package. Since 2002/2003, between 39% and 42% of Special Needs Grants and benefit advances have been paid to recipients of carer's benefits, while the proportion paid to people receiving sickness-related benefits or Invalid's Benefits has increased (from 23% to 31%) (see table 4.37). These changes reflect patterns in benefit use.

table
4.37**Trends in the types of pension or main benefit paid to clients receiving Special Needs Grants or benefit advances**

Type of pension or main benefit paid when Special Needs Grant or benefit advance provided	Payments of Special Needs Grants or benefit advances ¹				
	2002/2003 Number	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number
Unemployment-related benefits ²	175,568	150,148	120,735	103,373	84,681
Carer's benefits ³	297,496	317,473	310,574	291,412	260,275
Sickness-related benefits ⁴	74,604	86,756	95,567	101,090	100,369
Invalid's Benefit	91,466	101,025	107,346	110,969	107,643
Widow's Benefit	6,632	7,549	7,060	5,928	5,096
Transitional Retirement Benefit ⁵	899	243	0	0	0
Emergency Benefit	8,808	10,445	10,030	10,164	9,460
New Zealand Superannuation	18,362	22,206	23,380	24,126	24,349
Veteran's Pension	232	240	327	317	352
No pension or main benefit ⁶	54,090	59,539	65,835	73,159	75,502
Total	728,157	755,624	740,854	720,538	667,727

Notes

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

The total annual value of Special Needs Grants and benefit advances provided each year has decreased slightly in the last three years (see table 4.38). This reflects a combination of recent decreases in the number of non-recoverable Special Needs Grants payments made and recent increases in the average value of payments made.

Since 2003, around 44% of the annual value of Special Needs Grants and benefit advances has been provided to clients receiving carer's benefits. Over the same period, the proportion provided to clients receiving sickness-related benefits or Invalid's Benefits has increased (from 23% to 30%), with a corresponding decrease in the proportion provided to clients receiving unemployment-related benefits (see table 4.38). These changes reflect patterns in benefit use.

table
4.38**Trends in the value of Special Needs Grants and benefit advances paid to clients, by the type of pension or main benefit recipients were receiving**

Type of pension or main benefit paid when Special Needs Grant or benefit advance provided	Value of Special Needs Grants and benefit advances ^{1,2}				
	2002/2003 Amount (\$000)	2003/2004 Amount (\$000)	2004/2005 Amount (\$000)	2005/2006 Amount (\$000)	2006/2007 Amount (\$000)
Unemployment-related benefits ³	31,318	27,529	22,434	19,610	16,487
Carer's benefits ⁴	61,502	67,474	66,749	65,106	61,556
Sickness-related benefits ⁵	13,808	16,345	18,264	19,768	20,518
Invalid's Benefit	18,125	20,484	21,837	23,112	23,219
Widow's Benefit	1,390	1,668	1,565	1,387	1,255
Transitional Retirement Benefit ⁶	201	61	0	0	0
Emergency Benefit	2,020	2,337	2,311	2,318	2,306
New Zealand Superannuation	5,014	6,177	6,423	7,056	7,489
Veteran's Pension	71	74	103	100	114
No pension or main benefit ⁷	8,283	9,292	10,222	11,280	12,018
Total	141,732	151,441	149,908	149,738	144,962

Notes

- 1 Dollar value of Special Needs Grants and benefit advances recorded in SWIFTT in years ended June.
- 2 Due to rounding, values provided may not add to totals shown.
- 3 Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to trainees, and Independent Youth Benefits.
- 4 Includes Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone and Emergency Maintenance Allowances.
- 5 Includes Sickness Benefits and Sickness Benefits – Hardship.
- 6 This benefit was abolished on 1 April 2004.
- 7 Includes clients receiving an Orphan's Benefit or an Unsupported Child's Benefit.

Around 41% of the Special Needs Grants and benefit advances since 2003/2004 have been provided to pay for food, while around 36% have been provided to assist in “other emergency situations” (see table 4.39). Over this period, however, assistance for “other emergency situations” has accounted for around 52% of the total value of Special Needs Grants and benefit advances each year, while food has accounted for around 18% of this amount. This reflects differences in the level of assistance provided for the respective purposes.

table
4.39

Trends in the purpose of Special Needs Grants and benefit advances

Purpose of Special Needs Grant or benefit advance	Number of Special Needs Grants and benefit advances ¹				
	2002/2003 Number	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number
Advances	9,403	9,883	9,398	8,250	7,546
Disabled Civilian Amputee ²	118	104	59	77	90
Food	295,243	302,260	299,739	297,485	272,514
Funeral Grants	21	23	27	15	12
Health-related assistance	12,577	14,955	15,752	14,781	13,727
Home help payments ²	8	13	16	15	12
Live organ donors (income assistance)	0	0	13	48	41
Medical and associated costs	89,254	94,390	89,518	87,361	83,629
Other emergency situations	259,765	274,081	270,154	262,328	245,339
Payments for goods or services	1,127	904	583	403	272
People affected by benefit stand downs	2,297	2,808	2,651	1,627	1,038
Re-establishment accommodation element	659	612	637	653	658
Re-establishment grants	11,365	11,077	11,073	11,558	12,036
Rural sector (including Civil Defence Emergencies)	20	267	289	9	6
Sickness Benefit/Invalid's Benefit assessment travel	205	220	192	234	179
School education costs	38,735	36,835	34,287	30,943	27,290
Special Education Service ³	2,711	16	0	0	0
Teen payment	0	0	0	5	0
Terminal benefit arrears ²	0	2,565	2,139	770	5
Transfer to New Zealand Superannuation	723	626	592	554	417
Urgent house repairs and maintenance	3,926	3,978	3,704	3,374	2,883
Youth transition	0	7	31	48	33
Total	728,157	755,624	740,854	720,538	667,727

Notes

- Numbers of Special Needs Grants and benefit advances recorded in SWIFTT in years ended June.
- These items were created as Special Needs Grants but were later transferred to other payment codes. Table 4.38 and figure 4.16 below do not include expenditure on these items as Special Needs Grants expenditure.
- Transferred to other payment codes from July 2002.

Trends in use of the Recoverable Assistance Programme

Increases since 2002/2003 in the total value of Recoverable Assistance Programme payments made (see table 4.40) reflect increases in both the number of payments made and the average value of payments made.

table
4.40**Trends in the total and average value of assistance provided under the Recoverable Assistance Programme**

Level of assistance under Recoverable Assistance Programme	Level of assistance provided under the Recoverable Assistance Programme				
	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007
Amount (\$000) ¹	4,335	5,375	6,837	7,907	8,909
Number of payments ²	13,905	16,797	21,022	23,347	24,495
Average value per payment (\$)	312	320	325	339	364

Notes

1 Total expenditure on Recoverable Assistance Programme payments in years ended June.

2 Numbers of Recoverable Assistance Programme payments recorded in SWIFTT in years ended June.

Trends in expenditure on lump sum hardship assistance***Trends in expenditure on Special Needs Grants***

Please note that the expenditure data in table 4.41 includes expenditure on recoverable Special Needs Grants that were:

- provided to recipients of main benefits prior to 9 October 1995
- subsequently reclassified as benefit advances.

Expenditure on Special Needs Grants increased slightly in the last year, following a slight decrease in the previous year (see table 4.41). These fluctuations largely reflect patterns in the rate at which grants are paid, as numbers of grants paid have decreased over the last three years.

Earlier changes in annual expenditure on Special Needs Grants reflect:

- increases between 1998/1999 and 1999/2000 in the number of grants provided, including assistance to students awaiting Student Allowances and to people who had made provision for possible disruption in the transition to the year 2000
- the declining real value of Family Income Assistance and of Accommodation Supplements prior to the implementation of the Working for Families package in October 2004
- demand for Special Needs Grants for food, which has remained at the levels reached during transition to the year 2000
- increased levels of other assistance to low-income families available since the implementation of Working for Families in October 2004.

table
4.41

Trends in annual expenditure on Special Needs Grants

Year ended June	Expenditure on Special Needs Grants ^{1,2,3} (\$m)
1995/1996	58
1996/1997	40
1997/1998	39
1998/1999	40
1999/2000	44
2000/2001	46
2001/2002	47
2002/2003	48
2003/2004	50
2004/2005	50
2005/2006	44
2006/2007	46

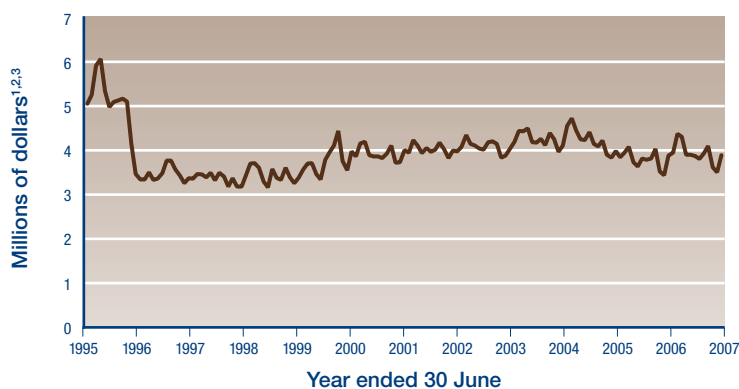
Notes

- 1 Expenditure on recoverable and non-recoverable Special Needs Grants in years ended June. These figures may differ from expenditure on these grants shown in other sources that are restricted to non-recoverable Special Needs Grants.
- 2 Expenditure shown is smoothed using a two-month moving average. Special Needs Grants are not subject to taxation.
- 3 Expenditure data in this table differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

Monthly expenditure on Special Needs Grants shows significant variation (see figure 4.16), reflecting variation in the number of grants made.

figure
4.16

Trends in monthly expenditure on Special Needs Grants



Notes

- 1 Includes expenditure on recoverable and non-recoverable Special Needs Grants.
- 2 Expenditure on Special Needs Grants is smoothed using a two-month moving average. Special Needs Grants are not subject to taxation.
- 3 Expenditure data in this graph differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

Benefit advances and Recoverable Assistance Programme payments

A slight decrease in the last year in combined annual expenditure on benefit advances and Recoverable Assistance Programme payments, following small fluctuations over the last three years (see table 4.42), largely reflects decreases in benefit advances. This in turn reflects decreases in the number of clients receiving main benefits. Expenditure on both benefit advances and Recoverable Assistance Programme payments reflects patterns in the level of assistance provided and in the other types of assistance available.

The levels of expenditure on benefit advances and Recoverable Assistance Programme payments during and after 1995/1996 (see table 4.42) reflect at least in part:

- the expanded availability of benefit advances from 9 October 1995
- increases in the numbers of clients receiving New Zealand Superannuation, sickness-related benefits or Invalid’s Benefits
- increases in the number of low-income working families seeking and receiving assistance from Work and Income, particularly following the implementation of the Working for Families package in October 2004.

**table
4.42**

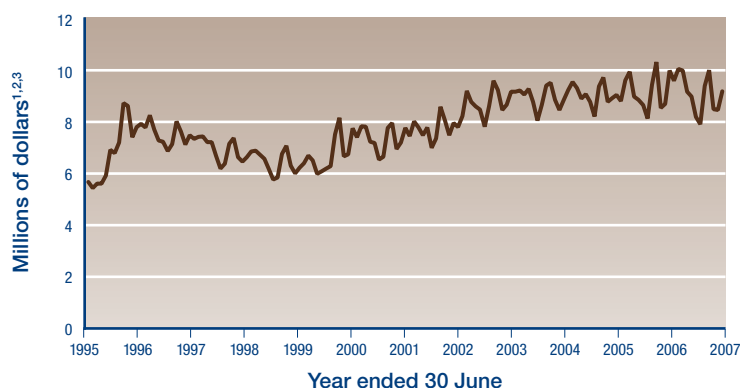
Trends in annual expenditure on benefit advances and Recoverable Assistance Programme payments

Year ended June	Expenditure on benefit advances and Recoverable Assistance Programme payments (\$m) ^{1,2,3}
1995/1996	82
1996/1997	88
1997/1998	81
1998/1999	75
1999/2000	79
2000/2001	87
2001/2002	91
2002/2003	103
2003/2004	106
2004/2005	107
2005/2006	109
2006/2007	108

Notes

- 1 Expenditure on benefit advances and Recoverable Assistance Programme payments in years ended June.
- 2 Expenditure has been smoothed using a two-month moving average. Benefit advances are not subject to taxation.
- 3 Expenditure data in this table differs from, and should not be cited as, MSD’s official measure of expenditure on financial assistance provided to clients.

Significant variation in monthly expenditure on benefit advances and Recoverable Assistance Programme payments (see figure 4.17) reflects seasonal variation in the number of benefit advances made.

figure
4.17**Trends in monthly expenditure on benefit advances and Recoverable Assistance Programme payments****Notes**

- 1 Expenditure on benefit advances and Recoverable Assistance Programme payments in years ended June.
- 2 Expenditure has been smoothed using a two-month moving average. Benefit advances and Recoverable Assistance Programme payments are not subject to taxation.
- 3 Expenditure data in this graph differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.

Student Allowance Transfer Grant

Student Allowance Transfer Grants are available to clients (or their partners) if they are in hardship during the stand-down week between ceasing receiving a Student Allowance and their first payment of a main benefit. Student Allowance Transfer Grants were introduced on 1 October 2002.

Eligibility for Student Allowance Transfer Grants

To qualify for a Student Allowance Transfer Grant, clients must:

- have a dependent partner or one or more dependent children
- be in hardship (ie have cash assets less than the maximum allowed and no other means of supporting themselves)
- be applying for a main benefit because their Student Allowance will stop for one of the following reasons:
 - the client is no longer a secondary or tertiary student
 - the client is sick, injured or on a break of three weeks or more
 - the client's course of study has ended, or
 - the tertiary provider has lost their accreditation
- apply for a Student Allowance Transfer Grant before the end date for which a Student Allowance is payable or within five working days after this date.

The amount of the grant payable in the stand-down week is one week of the main benefit applied for (after tax), less:

- any abatement due to income
- the amount of any other assistance received for ordinary living expenses (eg for food).

Income and asset limits for the Student Allowance Transfer Grant (see table 4.43) depend on the circumstances of the client.

table
4.43**Asset and income limits for Student Allowance Transfer Grants (applicable from 1 April 2007)**

Circumstances of client ¹	Income limit ²	Asset limit ³
Married couple without dependent children	\$360.00	\$1,487.46
Married couple with dependent children	None	\$1,487.46
Sole parent with one child	None	\$1,172.13
Sole parent with two or more children	None	\$1,259.12

Notes

- 1 "Married" includes people who are married, living as married, or in a civil union.
- 2 Income limits (per week before tax) at 1 April 2007.
- 3 Asset limits at 1 April 2007.

The Student Allowance Transfer Grant is non-recoverable and non-taxable.

Number of Student Allowance Transfer Grants provided

The annual number of Student Allowance Transfer Grants provided has decreased since 2002/2003 (see table 4.44), reflecting at least in part decreases in numbers receiving main benefits. Almost all of the grants provided since 2002/2003 were provided to students who were transferring from a Student Allowance to an unemployment-related benefit (see table 4.44). The overwhelming majority of these students were transferring to an Unemployment Benefit – Hardship – Student.

The use of and expenditure on grants is highly seasonal, with nearly 90% of these grants made between November and January.

table
4.44**Trends in the types of main benefit applied for by clients granted a Student Allowance Transfer Grant**

Type of main benefit applied for when Student Allowance Transfer Grant granted	Student Allowance Transfer Grants provided ¹				
	2002/2003 ² Number	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number
Unemployment-related benefits ³	2,518	2,206	1,861	1,454	1,229
Carer's benefits ⁴	121	87	67	64	64
Sickness-related benefits ⁵	0	2	37	29	17
Invalid's Benefit	45	33	0	0	6
Widow's Benefit	0	2	1	0	0
Transitional Retirement Benefit ⁶	0	0	0	0	0
Emergency Benefit	8	4	8	6	5
No main benefit ⁷	10	8	11	4	9
Total	2,702	2,340	1,985	1,557	1,330

Notes

- 1 Numbers of Student Allowance Transfer Grants provided in years ended June.
- 2 Covers only the nine months from October 2002 to June 2003.
- 3 Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to trainees, and Independent Youth Benefits.
- 4 Includes Domestic Purposes Benefits – Sole Parents, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone and Emergency Maintenance Allowances.
- 5 Includes Sickness Benefits and Sickness Benefits – Hardship.
- 6 This benefit was abolished on 1 April 2004.
- 7 Includes clients receiving an Orphan's Benefit or an Unsupported Child's Benefit.

Expenditure on Student Allowance Transfer Grants

Total annual expenditure on Student Allowance Transfer Grants has decreased since 2002/2003, while the average size of each grant has fluctuated (see table 4.45). The decrease in expenditure on these grants reflects decreases in the number of these grants being made. This is, in turn is affected by both the number of students receiving Student Allowance and patterns in the use of benefits.

table
4.45

Trends in annual expenditure on Student Allowance Transfer Grants

	Expenditure on Student Allowance Transfer Grants ¹				
	2002/2003 ² Amount	2003/2004 Amount	2004/2005 Amount	2005/2006 Amount	2006/2007 Amount
Total expenditure (\$000)	640	573	495	380	327
Average value per payment (\$)	237	245	249	244	246

Notes

- 1 Expenditure on Student Allowance Transfer Grants recorded in SWIFTT during the year ended June.
- 2 Includes nine months' expenditure on Student Allowance Transfer Grants (October 2002 – June 2003).

Section 5 Services to students

Assistance available to students

MSD provides assistance to students through its StudyLink service line. The eligibility of students for this assistance depends on the age and circumstances of the student, as well as the nature of the course they are undertaking and of the education provider at which they are enrolled.

MSD assistance that is available to students comprises:

- Student Allowances
- Student Loans
- main benefits during study breaks
- supplementary assistance
- scholarships
- job search assistance during study breaks.ⁱⁱ

This report entered publication before the end of the 2007 academic year and is therefore restricted to information up to the end of the 2006 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 a Student Allowance

A Student Allowance is available to people who are:

- aged 18 years or over, or aged 16–17 if they meet criteria based on their circumstances
- enrolled as a full-time student
- on a recognised programme at an approved education provider
- either:
 - a New Zealand citizen, or
 - a permanent resident of New Zealand who has lived in New Zealand for at least two years and has held “permanent residency status” for at least two years.

Income tests are applied to the Student Allowance. These tests consider the income of the student’s spouse (if any), as well as the income of the parents of most childless students aged under 25 years. Tests of academic achievement (to secure continued access to a Student Allowance) also apply.

Students who are not studying full-time may be eligible for a Student Allowance if their education provider supports their application to study less than full-time for any one of the following reasons:

- the student has an illness, disability or some other sufficient cause beyond their control that stops them studying full time
- it is considered in their best interests, or
- the student is studying more than half of a full-time course and the study will complete a recognised programme.

ⁱⁱ The Ministry of Social Development contracts Student Job Search to provide assistance to tertiary students looking for holiday and in-term employment – the majority of tertiary students use this service to find employment in the summer break. Work and Income also assists students in areas where Student Job Search is not available.

If a student is eligible for a Student Allowance and is living away from home, they are entitled to an Accommodation Benefit payable under the Student Allowances Scheme. This is a contribution towards their accommodation costs, up to a maximum of \$40 per week or \$60 per week for single students with a child or children.

Payment rates for Student Allowance

A Student Allowance is available at different rates depending on the circumstances of the student and on their assumed living costs. For students who are living with one or both parents, or with an earning partner in a recognised relationship, a Student Allowance is paid at a discounted rate to reflect the lower living costs these students are likely to experience compared with students living away from home.

Table 5.1 shows the maximum net rate at which Student Allowances were paid between 1 April 2006 and 31 March 2007.

table
5.1

Maximum payment rates for Student Allowances (effective from 1 April 2006)

Type of Student Allowance	Status	Amount
Single 16–24 years	Away from home	\$144.92
	At home	\$115.94
Single 25+ years	Away from home	\$173.92
	At home	\$139.12
Couple allowance – both students, no children	One eligible	\$173.92
	Both eligible (each)	\$144.92
Couple allowance – dependent spouse, no children		\$289.84
Single student with dependent children		\$249.10
Couples – both students with dependent children	One eligible	\$249.10
	Both eligible (each)	\$144.92
Couples – dependent spouses with dependent children		\$289.84
Students in independent circumstances		\$144.92
Earning spouse	Away from home	\$93.60
	At home	\$62.83

Trends in the number of students receiving a Student Allowance

The number of Student Allowance recipients declined from 2002 to 2005, but increased somewhat in 2006, though not to previous levels (see table 5.2). The main reason for the decline was that the strength of the economy and the labour market over that period has meant that fewer students have met the targeting provisions of the allowances scheme. This situation has now stabilised.

table
5.2**Trends in the type of Student Allowances received**

Type of Student Allowance received	Students receiving Student Allowances ¹				
	2002 Number	2003 Number	2004 Number	2005 Number	2006 Number
Single 16–24 years – targeted away from home	18,910	16,349	14,742	17,585	18,842
Single 16–24 years – targeted at home	11,847	10,407	9,555	10,295	11,404
Single 25+ years – targeted away from home	17,462	16,822	16,260	15,011	14,875
Single 25+ years – targeted at home	2,272	2,129	1,977	1,873	1,959
Couple allowance – both students, no children	820	876	1,054	149	119
Couple allowance – both students ²	0	0	0	1,328	1,560
Couple allowance – dependent spouse, no children	1,706	1,728	1,722	137	3
Couple allowance – dependent spouse ²	0	0	0	4,890	5,449
Single student with dependent children	1,843	1,846	1,756	1,522	1,541
Couples – both students with dependent children	737	748	836	65	1
Couples – one student with dependent children ²	0	0	0	153	176
Couples – dependent spouses with dependent children	4,680	4,176	4,028	232	9
Students in independent circumstances	7,087	7,685	7,594	2,437	2,186
Earning spouse – at home	1,369	1,153	1,193	1,045	1,228
Earning spouse – away from home	136	117	109	84	79
Total	68,869	64,036	60,826	56,806	59,431

Notes

- 1 Numbers of students recorded as receiving Student Allowances during years ended 31 December.
 2 New types of Student Allowances introduced in the year ended 31 December 2005.

Trends in expenditure on Student Allowances

Changes in expenditure on Student Allowances (see table 5.3) largely reflect changes in the number of students receiving Student Allowances.

table
5.3**Trends in annual expenditure on Student Allowances**

	Expenditure on Student Allowances ¹				
	2002 Amount	2003 Amount	2004 Number	2005 Number	2006 Number
Total expenditure (\$m)	367	351	341	318	341

Note

- 1 Expenditure on Student Allowances (excluding Accommodation Benefit) during years ended 31 December.

Student Loansⁱⁱⁱ

The Student Loan Scheme was introduced in 1992 to assist students studying at tertiary level. The purpose of the scheme is to ensure that the costs of study are not a barrier to students undertaking tertiary study.

Eligibility for Student Loans

Student Loans are available to people who are:

- New Zealand citizens, permanent residents or refugees
- enrolled on a tertiary course approved by the Ministry of Education that is:
 - full-time or approved limited full-time
 - part-time and 32 weeks or longer
 - part-time and less than 32 weeks, with a course load of 0.3 EFTS or more, or
 - part-time for part of the year with a course load between 0.25 and 0.3 EFTS and enrolled in a course that meets certain vocational conditions and be in employment or studying for a qualification that will lead to employment.

To receive Student Loan living costs, students must be enrolled in a full-time or approved limited full-time course. Students enrolled on courses that are part-time and 32 weeks or longer may receive a loan for fees and course-related costs only. Students enrolled on courses that are part-time and less than 32 weeks can only receive a Student Loan for fees. Full-time students can receive a loan for course fees, course-related costs, and living costs to a maximum of \$150 per week. If a student or their partner receives a Student Allowance of \$150 a week or more after tax, they may receive a Student Loan only for compulsory fees and course-related costs.

People who are currently bankrupt or who are on a course already paid for by the Government (such as Training Opportunities) are not eligible to receive a Student Loan.

Prisoners are eligible to access Student Loans for compulsory fees and course-related costs, subject to the agreement of the prison authority. Prisoners are not able to receive living costs unless they are on home detention.

Accessibility of funds through Student Loans

Limits have been established that prescribe maximum drawings that students may make from their Student Loan (see table 5.4).

table
5.4

Maximum amount available for Student Loans, by component (applicable over the 2006 academic year)

Component of Student Loan	Maximum amounts available
Course fees (annual) ¹	Total fee cost
Course-related expenses (annual) ²	\$1,000.00
Living costs (weekly) ³	\$150.00

Notes

- 1 Payment of fees is reduced by any Training Incentive Allowance (available to some core benefit recipients) that is provided to pay fees.
- 2 Payment of course-related expenses is reduced by some of the Training Incentive Allowance (available to some core benefit recipients) that is provided to pay course-related expenses.
- 3 Payment of living costs is restricted to periods when the student is studying full-time and is reduced by any Student Allowance payments received.

ⁱⁱⁱ Further information on use of the Student Loans Scheme is available from the Student Loan Scheme Annual Report published by the Ministry of Education. This report contains information on use of the Student Loan scheme which is supplied by the Ministry of Education, StudyLink and Inland Revenue.

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.

The number of students making drawings against Student Loans increased between 2005 and 2006, following a decrease in the previous year (see table 5.5).

Between 2002 and 2006, there were decreases in the proportion of students making drawings against Student Loans who:

- drew a total of less than \$10,000 in the calendar year (from 83% to 78%) (see table 5.5) (this change is very likely to result from normal inflation)
- were receiving a Student Allowance (from 37% to 31%) (see table 5.6)
- were attending a polytechnic (from 28% to 23%) (see table 5.7).

Of the students making drawings against Student Loans in this period, around 48% were attending a university (see table 5.7).

table
5.5

Trends in the annual amount per student drawn against Student Loans

Amount drawn against Student Loan in the year ended 31 December	Students making drawings against Student Loans ¹				
	2002 Number	2003 Number	2004 Number	2005 Number	2006 Number
Under \$5,000	68,111	70,428	70,233	67,095	68,302
\$5,000 – \$9,999	56,056	57,143	56,975	55,573	61,536
\$10,000 – \$14,999	23,899	26,089	27,539	28,815	33,419
\$15,000 – \$19,999	1,608	1,515	1,507	1,937	2,720
\$20,000 – \$29,999	430	407	428	537	905
\$30,000 – \$39,999	119	142	115	153	212
\$40,000 – \$49,999	85	116	89	135	139
\$50,000 or over	218	410	146	166	187
Total	150,526	156,250	157,032	154,411	167,420

Note

¹ Numbers of students recorded as making drawings against Student Loans during years ended 31 December.

table
5.6**Trends in the type of Student Allowances received by students making drawings against Student Loans**

Type of Student Allowance received when drawing made against Student Loan	Students making drawings against Student Loans ¹				
	2002 Number	2003 Number	2004 Number	2005 Number	2006 Number
Single 16–24 years – targeted away from home	15,943	13,861	12,487	14,989	16,497
Single 16–24 years – targeted at home	8,171	7,362	6,817	7,489	8,868
Single 25+ years – targeted away from home	14,035	13,553	13,084	12,154	12,307
Single 25+ years – targeted at home	1,690	1,555	1,480	1,407	1,521
Couple allowance – both students, no children	689	758	917	107	103
Couple allowance – both students ²	0	0	0	1,122	1,326
Couple allowance – dependent spouse, no children	0	0	0	3715	4,045
Couple allowance – dependent spouse ²	1297	1320	1330	63	2
Single student with dependent children	1,591	1,589	1,449	1,254	1,289
Couples – both students with dependent children	652	641	694	34	0
Couples – one student with dependent children ²	0	0	0	136	137
Couples – dependent spouse with dependent children	3,632	3,259	2,998	96	2
Student in independent circumstances	6,009	6,648	6,590	1,993	1,915
Earning spouse – at home	1,147	933	953	807	1,012
Earning spouse – away from home	109	99	91	65	67
Not receiving any Student Allowance	95,561	104,672	108,142	108,980	118,329
Total	150,526	156,250	157,032	154,411	167,420

Notes

¹ Numbers of students recorded as making drawings against Student Loans during years ended 31 December.

² New allowance types in the year ended 31 December 2005.

table
5.7**Trends in the type of institutions attended by students making drawings against Student Loans**

Type of institution attended when drawing made against Student Loan	Students making drawings against Student Loans ¹				
	2002 Number	2003 Number	2004 Number	2005 Number	2006 Number
College of Education	5,457	5,559	5,314	2,483	2,391
Polytechnic	41,787	41,727	40,013	37,243	39,041
Private Training Establishment	25,551	27,485	28,459	30,633	36,256
University	71,451	73,774	74,671	76,163	82,727
Wānanga	3,671	4,559	4,587	4,466	3,544
Polytechnic and University	736	929	1,192	1,050	1,043
Polytechnic and other institution(s) ²	971	1,124	1,292	1,001	1,029
University and other institution(s) ²	732	846	1,206	1,098	1,160
Polytechnic, university and other institution(s) ²	31	34	51	46	46
Miscellaneous combination ²	129	202	255	226	183
Unknown	10	11	6	2	0
Total	150,526	156,250	157,032	154,411	167,420

Notes

- 1 Numbers of students recorded as making drawings against Student Loans during years ended 31 December.
- 2 Students may enrol to study at more than one institution at the same time. In these cases, Table 5.7 shows all types of institutions where students were enrolled at the time of making a drawing against a Student Loan.

Trends in the purpose of drawings against Student Loans

Please note that the numbers of students making drawings against each component of their Student Loan do not add to the total number of students making one or more drawings shown in tables 5.5–5.7 above. This is because most students make drawings against more than one Student Loan component (eg course fees and living costs) during the same academic year.

The number of students making drawings for each purpose increased in 2006 (see table 5.8), reflecting increases in the total number of students making drawings against Student Loans. These changes may be the effect of the removal of interest charges from most student loans from 2006.

table
5.8**Trends in the number of drawings made against Student Loan components**

Student Loan component	Number of students making drawings against Student Loan components ¹				
	2002 Number	2003 Number	2004 Number	2005 Number	2006 Number
Course fees	139,323	144,678	145,549	143,406	156,236
Course-related costs	96,563	101,664	98,506	94,782	103,553
Living expenses	77,699	79,373	77,507	73,668	80,921

Note

- 1 Numbers of students making drawings against Student Loan components during years ended 31 December.

Scholarships

Step Up Scholarships

The Step Up Scholarship Scheme was piloted by StudyLink in 2004, and is aimed at students from low-income backgrounds who are studying approved full-time tertiary degree courses in the area of human or animal health and science or technology. In 2006, 240 scholarships were awarded to students undertaking animal or human health studies and 122 to students undertaking science and technology studies.

The scholarship helps to pay the compulsory fees for these courses providing all the terms and conditions of the scheme are met for the length of the qualification. Students are required to make a contribution towards their tuition fees of \$1,000 for human or animal health and \$2,000 for science and technology courses, which can be paid using a Student Loan. There is a bonding requirement for Step Up recipients to stay in New Zealand after graduation. A portion of the scholarship will be required to be repaid if a student does not stay in New Zealand for the applicable period.

To be eligible for Step Up Scholarships a student needs to:

- be entitled to, and have applied for or be receiving, a Student Allowance
- have course costs of at least \$3,000
- start each year of study between January and March
- be aged between 16 and 24 for human or animal health study, or have left secondary school within the last two years for science or technology study.

Bonded Merit Scholarships

Bonded Merit Scholarships are new scholarships available from 1 January 2006. Five hundred Bonded Merit Scholarships were awarded in 2006, which will increase to 1,000 in 2007. The scholarship is awarded to second year full-time tertiary students enrolled in bachelor degree study and recognizes top academic achievement. To be eligible, a student must have, and maintain, a B-grade average or higher.

The aim of Bonded Merit Scholarships is to provide an incentive for high-achieving students to remain in New Zealand once they have completed study. The Scholarship will pay \$3,000 each year towards course fees for a maximum of four years. Students who receive the Bonded Merit Scholarship will be required to remain in New Zealand for a period of time after they complete their degree. Students who do not remain in New Zealand for the applicable period are required to repay a portion of the scholarship they received.

Other Scholarships

StudyLink is responsible for administering the payments for the following scholarships: Family and Community Services (FACS) Study Awards, Top Scholar^{iv} and TeachNZ. Recipients for these scholarships are decided by FACS, New Zealand Qualifications Authority and Ministry of Education respectively.

Main Benefits

StudyLink primarily administers and assesses eligibility for Unemployment Benefits – Hardship – Students. This agency also assesses the eligibility for Unemployment Benefit or Emergency Benefit of 16–17 year olds who have been receiving a Student Allowance or have not previously been in full-time study.

Unemployment Benefits – Hardship – Students

Unemployment Benefits – Hardship – Students are paid weekly to help students and prospective students meet living costs during the study breaks. The amount paid depends on the client's personal situation such as age, living arrangements, income and assets.

^{iv} The Top Scholar Scheme replaced "A" and "B" Bursaries in 2005.

To qualify for an Unemployment Benefit – Hardship – Students, students needs to be aged 18 or over, aged 16–17 and living with a partner and children, or aged 16–17 and approved for the Independent Circumstances Allowance administered by StudyLink. In addition, applicants must have either:

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

In addition, all applicants for an Unemployment Benefit – Hardship – Students are required to:

- meet asset and residency tests
- actively seek full-time work during their study break, and to register with Student Job Search or Work and Income as part of this search.

Supplementary Assistance

The following supplementary assistance is available to students:

- Accommodation Supplement
- Student Allowance Transfer Grant
- Community Services Cards
- Away from Home Allowance
- Training Incentive Allowance
- Family Assistance
- Work Start Grant
- Disability Allowance
- Child Disability Allowance
- Childcare Subsidy and OSCAR (Out of School Care and Recreation) Subsidy
- Emergency assistance.

Job Search

The Ministry of Social Development contracts Student Job Search to provide assistance to tertiary students looking for holiday and in-term employment, and to assist in the administration of the Unemployment Benefit Student Hardship. Work and Income also assists students in areas where Student Job Search is not available.

Section 6 Additional information

Community Services Cards

Introduction

The Community Services Card is an entitlement card available to people on low to middle incomes or receiving income support. The card may be used to obtain higher subsidies on doctors' fees and prescriptions and to access secondary health services from public hospitals.

People receiving main benefits, Veteran's Pensions and the Residential Care Subsidy automatically receive a Community Services Card (and subsequent replacement cards), so they do not have to complete application forms. Most students in receipt of a Student Allowance are also issued cards automatically.

People who are working need to complete an application form in order to have their eligibility for a Community Services Card assessed. People receiving New Zealand Superannuation must apply for their first Community Services Card. Once the first application has been made, card renewal is automatic for more than 80% of people receiving New Zealand Superannuation.

Following the launch of the Primary Health Strategy in 2001, the Ministry of Health introduced Primary Health Organisations (PHOs) from 1 July 2002. Patients enrolled with PHOs do not require a Community Services Card in order to access low fees for doctors' visits and prescriptions.

Ministry of Health officials have advised that, as additional subsidy funding is allocated to all PHOs across New Zealand, the need to use a Community Services Card in order to access subsidies for primary health services will reduce. It is anticipated that by July 2008 policy decisions regarding future uses of the Community Services Card will be made and that by July 2009, the Community Services Card may be phased out as a means for obtaining primary health service subsidies.

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.

The card is still required by people who visit a doctor who is not enrolled with a PHO, or who are out of town and need to visit a doctor, or who need to make an after hours visit; as well as people who wish to access secondary health services provided by public hospitals and District Health Boards. The card is also used by other central and local government agencies as a mechanism for targeting services to low income people. These services include:

- assistance with text telephone rental (Ministry of Economic Development)
- TeachNZ Early Childhood scholarships (Ministry of Education)
- Reduction or remission of fees for national secondary school qualifications (New Zealand Qualifications Authority).

Since January 2006, the Ministry of Health National Travel Assistance policy has included the Community Services Card as a component of its eligibility criteria.

Trends in the number of Community Services Cards on issue

The number of Community Services Cards on issue has decreased since 2003 (see table 6.1), reflecting several factors, including:

- the decrease in the number of people receiving main benefits
- increases in the adult minimum and average ordinary weekly wages (these increases mean that fewer single working people are eligible for cards)
- the progressive roll-out of PHO funding, which has meant that fewer people need a card to access subsidies on primary health services
- people under 25 years of age and those aged 45 and upwards do not require a card to access subsidies. People aged between 25 and 44 years became entitled to full health subsidies from 1 July 2007
- changes between 2005 and 2007 to the Family Tax Credit (formerly Family Assistance) eligibility criteria have led to an increase in the numbers of Family Tax Credit recipients holding a Community Services Card.

Thirty-six percent of people holding Community Services Cards in 2007 were receiving main benefits, compared with 43% in 2003. Over this period, around 29% of cardholders have been receiving New Zealand Superannuation or Veterans Pension. Between 2005 and 2007, the proportion of cardholders who were receiving a Family Tax Credit increased from 13% to 19% (see table 6.1).

table
6.1

Trends in the categories of clients holding Community Services Cards

Category of clients card are issued to	Community Services Cards on issue ¹				
	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
Low-income earners and students not receiving Student Allowance ²	104,894	83,791	75,640	68,055	54,598
Family Support/ Family Tax Credit recipients ³	141,717	132,951	130,874	152,782	175,826
Veteran's Pension recipients	5,355	5,389	5,169	6,773	6,822
Students ²	14,736	41,390	43,660	41,817	47,930
Main benefit recipients ^{4,5}	463,823	435,009	409,608	397,866	330,456
New Zealand Superannuation recipients ⁶	311,018	310,133	305,810	301,883	272,171
Residential Care Subsidy recipients	19,743	19,640	19,419	21,022	17,509
Families not receiving Family Assistance	27,674	24,958	24,260	23,526	18,780
Total	1,088,960	1,053,261	1,014,440	1,013,724	924,092

Notes

- Number of Community Services Cards on issue at the end of June. Cards are issued to adults in family units. A family unit can be a single person, or a couple and their dependent children.
- Between July 2000 and June 2003, "low-income" included students receiving a Student Allowance who were granted a Community Services Card as low-income earners. Since June 2003, most students who receive a Student Allowance have had cards automatically issued. Students who are not entitled to Student Allowance must apply as low income earners.
- Family Tax Credit includes both Group 1 (unabated) and Group 2 (abated) recipients, who have both been subsidised at Group 1 levels since July 1993. This assistance was known as Family Support until 2005.
- "Main benefit recipients" includes students receiving an Unemployment Benefit – Hardship – Student or an Emergency Benefit.
- The number of people in receipt of a main benefit as at the end of June does not correspond with the number of such people issued with a Community Services Card shown above. This is because the above numbers include:
 - spouses of people receiving main benefits
 - people who ceased receiving main benefits in the last 12 months whose card has an expiry date after the cessation of their benefit.
- The number of people receiving New Zealand Superannuation does not correspond with the number of New Zealand Superannuation recipients issued with a Community Services Card shown above. This is because income tests for a Community Services Card exclude some people who receive New Zealand Superannuation from receiving a card.

Trends in the number of Community Services Cards manually issued and renewed

The number of new Community Services Cards manually issued each year decreased in the last year (see table 6.2), reflecting the impact of:

- the ongoing roll-out of funding to PHOs by age group, which reduces the need for patients to hold Community Services Cards
- higher average ordinary time weekly wages and increases to the adult minimum wage rate (these increases mean that fewer single working age people are now eligible for cards)
- increases since 2004/2005 in the number of new and renewed cards issued to recipients of Family Tax Credit.

Fifty percent of the new cards issued in 2006/2007 were provided to recipients of Family Tax Credits, compared with 35% in 2004/2005. There was a corresponding decrease in the proportion provided to low-income clients and students (from 42% to 29%) (see table 6.2). This reflects:

- decreases in numbers of people receiving main benefits
- the ongoing impact of the Working for Families package through:
 - families being made aware of their entitlement to Family Tax Credits and to a Community Services Card
 - increased numbers of families being entitled to Family Tax Credits.

Between 75% and 78% of the Community Services Cards manually reissued since 2002/2003 have been provided to low-income earners and students (see table 6.2). This group is expected to continue to decrease, due to several factors including:

- people in the 45–64 year age group became eligible for fully funded services from PHOs from 1 July 2006
- increases to the adult minimum wage rate and ordinary average wage levels which have placed people working 40 hours a week above the threshold for a single person living in shared accommodation.

table
6.2

Trends in the number of manual issues and renewals of Community Services Cards

Type of new and renewed Community Services Cards	Community Services Cards manually issued and renewed ¹				
	2002/2003 Number	2003/2004 Number	2004/2005 Number	2005/2006 Number	2006/2007 Number
New cards					
Low-income earners and students	61,762	50,955	48,672	41,951	34,508
Family Support/ Family Tax Credit recipients ²	45,093	39,682	41,331	53,590	60,511
New Zealand Superannuation recipients	13,328	12,755	10,645	13,018	11,226
Families not receiving Family Assistance	19,094	16,430	16,481	15,698	14,064
Total	139,277	119,822	117,129	124,257	120,309
Renewed cards					
Low-income earners and students	57,053	48,598	41,097	35,177	30,455
Family Support/ Family Tax Credit recipients ²	–	–	–	–	–
New Zealand Superannuation recipients	9,921	7,316	6,970	5,527	3,078
Families not receiving Family Assistance	8,452	7,404	6,548	5,979	5,372
Total	75,029	63,318	54,615	46,683	38,905
All cards issued and renewed					
Total (includes issue of renewed cards)	214,685	183,140	171,744	170,940	159,214

Notes

- 1 Numbers of new Community Services Cards manually issued and Community Services Cards renewed in years ended June.
- 2 All cards manually issued to recipients of Family Tax Credits (both new cards and renewals) are coded as new cards each year. Separate counts of renewals of cards held by recipients of Family Tax Credits are not available. Family Tax Credit replaced Family Support in 2005.

Trends in expenditure on Community Services Cards

Expenditure on claims for partial reimbursement of health charges under the Community Services Card Scheme is affected by a number of factors, including:

- seasonal variations (eg a mild winter tends to mean fewer claims than otherwise)
- the presence or absence of clusters of claims from or on behalf of high users, which can also affect trends across years.

Expenditure on Community Services Card reimbursements has decreased since 2003 (see table 6.3). This reflects the progressive introduction over this period of subsidies for people enrolled in PHOs as well as the other factors outlined above.

table
6.3

Trends in annual expenditure on Community Services Cards

	Expenditure on Community Services Cards ^{1,2}				
	2003 Amount (\$000)	2004 Amount (\$000)	2005 Amount (\$000)	2006 Amount (\$000)	2007 Amount (\$000)
Total	326	318	227	217	164

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.

Integrity Services

Benefit Control

Benefit Control provides services to minimise errors, fraud and abuse of the benefit system by:

- identifying problems that may undermine the integrity of the benefit system
- raising awareness of the consequences of non-compliance
- preventing, detecting, and investigating benefit fraud
- sanctioning those who commit benefit fraud.

Activities carried out by Benefit Control to provide these services include:

- implementation of the Early Intervention Strategy and other prevention measures:
 - using early intervention interviews and brokerage to ensure clients are receiving their full and correct entitlement, to remind them of their obligations, and to assist them to access additional services where required
 - carrying out lower level investigations on selected client situations that appear to differ from the information held by the Ministry
- investigations and prosecutions:
 - the investigation of irregularities in client information and of allegations received from external sources, to detect and assess the overpayment of entitlements and to take follow-up action to deter clients from re-offending
 - prosecution action against clients who deliberately commit benefit fraud.
- supporting system and policy design. This includes using experience from operational activities to support policy design and service delivery.

Trends in Benefit Control area cases investigated and overpayments identified

The effectiveness of providing a focus on the prevention and early detection of benefit fraud is reflected by the trend over the last fiscal year. In 2006/2007 the number of investigations decreased by 15%, while the number of overpayments established decreased by three percent and the value of overpayment increased by 17% (see table 6.4). Of the overpayments established in the 2006/2007 financial year, 86% are less than \$10,000. The decrease in the number of prosecutions is in line with the overall decreasing case volumes. Of the cases prosecuted in 2006/2007, 95% were successful.

table
6.4**Trends in Benefit Control statistics¹**

Financial year ²	Number of Investigations and Reviews	Number of Overpayments	Value of Overpayments (\$)	Number of Prosecution Cases of Benefit Fraud
2002/2003	49,813	9,204	42,723,950	Not Available ³
2003/2004	53,631	9,845	50,048,006	Not Available ³
2004/2005	55,632	8,203	41,455,851	1,306
2005/2006	45,992	7,299	35,757,865	937
2006/2007	39,141	7,084	41,935,634	905

Notes

- 1 Figures include benefit, student and early intervention cases.
- 2 Financial years ended 30 June.
- 3 Until 2004/2005, prosecutions were recorded as those cases referred to legal prosecutors rather than actual court cases. There were 1,720 cases referred for prosecution in 2003/2004, and 1,929 in 2002/2003.

National Data Match Centre

The National Data Match Centre provides services to minimise errors, fraud and abuse of the benefit system by matching information with the following agencies:

- Inland Revenue (match against benefits and Student Allowances)
- Department of Corrections
- New Zealand Customs Service
- Department of Internal Affairs (matches with Births, Deaths and Marriages)
- Accident Compensation Corporation (ACC)
- Housing New Zealand Corporation

Trends in data matching cases investigated and overpayments identified

Data matches have been extended and developed to detect a wider range of benefit error and fraud, with an emphasis towards debt prevention. An example of this trend has been the implementation of the ACC and Marriages data matches in 2006 which have now had a full year impact and the change in Corrections from a weekly to a daily data match.

The decreased total value of overpayments identified in the 2006/2007 fiscal year reflects ongoing efforts to ensure payment of client's full and correct entitlement while minimising overpayments, in addition to lower numbers of clients receiving main benefits. The number of cases completed in 2006/2007 returned to levels seen prior to 2005/2006 in which a focus on processing large numbers of lower valued overpayments showed an increase in cases completed.

table
6.5**Trends in data matching statistics¹**

Financial year ²	Number of cases completed	Overpayments identified Amount (\$)
2002/2003	52,499	32,899,786
2003/2004	36,639	28,981,505
2004/2005	43,139	30,265,125
2005/2006	62,639	29,404,188
2006/2007	39,123	19,012,805 ³

Notes

- 1 This table has changed from the past statistical reports to reflect cases completed instead of investigated cases.
- 2 Financial years ended 30 June.
- 3 A number of factors have contributed to the reduced value of overpayments identified in 2006/2007, including the change in the Corrections data match from weekly to daily, and the change in Student Allowance entitlement with the introduction of an income abatement provision.

Balances Owed to the Crown by Clients of MSD

Background

Clients owe money to MSD primarily as a result of recoverable assistance loans or overpayment of benefit.

A recoverable assistance loan is money loaned to clients to help them meet immediate and essential costs. It is an entitlement and should not be confused with overpayments of benefit.

The most common reasons for the loans are:

- medical costs such as dentures, glasses and hearing aids
- accommodation costs
- whiteware purchases
- electricity and gas costs.

Overpayments occur whenever clients receive financial assistance to which they are not entitled. The majority of overpayments occur as a result of late notification by the client of a change in part-time income which reduces their entitlement to benefit.

Work and Income manages the collection of overpayments and recoverable assistance loans from current clients. Integrity Services is responsible for the collection of balances from former clients and other balances such as student allowance overpayments, liable parent contributions and court-ordered maintenance payments.

Trends in Balances Owed

Since 2004/2005 (see table 6.6):

- the value of overpayments has reduced as a result of reduced client numbers on benefit as well as efforts to prevent overpayments
- the level of recoverable assistance loan has stabilised with a slight decline observed in the 2006/2007 year
- the value of repayments or adjustments on review has been maintained at similar levels in the last three years.

Overall, the rate of growth in balances outstanding has decreased as a consequence of reduced overpayments and a stable level of repayments and write-off (see table 6.6).

table
6.6

Trends in overpayments, recoverable assistance loans, repayments and adjustments and balances outstanding.

Financial year ¹	Overpayments (\$m)	Recoverable Assistance paid (\$m)	Balance reduced by repayments or write-offs ² (\$m)	Balances Outstanding at 30 June 2006 (\$m)
2000/2001	223.7	88.9	300.4	813.8
2001/2002	224.9	93.5	233.1 ²	899.1 ²
2002/2003	211.9	99.9	444.8 ³	766.2
2003/2004	194.5	109.1	312.7	757.1
2004/2005	203.8	110.8	283.4	788.2
2005/2006	200.4	112.9	284.8	816.7
2006/2007	185.7	111.9	283.0	831.3

Notes

- 1 Financial years ended 30 June.
- 2 The balances outstanding value in the right hand column represents the closing position for each financial year. The sum of overpayments established and recoverable assistance payments made in the following year are added to this total, then repayments and write-offs are deducted, to reach the closing position for that following year.
- 3 Both adjustments on review and balances outstanding have been impacted by a financial reporting correction in June 2002. The total value of balances owed by current clients was previously understated by \$72m. The correction of this error has resulted in a decrease in adjustments on review and a corresponding increase in the balance outstanding.
- 4 In June 2002, MSD gained Ministerial approval to write off existing aged balances owed where all avenues of recovery have been proven to be exhausted. The write-off of these in 2002/2003 and to a lesser extent in 2003/2004 increased the value of adjustments on review. In April 2003, a portion of Residential Care Loan balances were transferred to the Ministry of Health which also contributed to the increased value of adjustments on review.

Trends in clients with balances owed

The number of clients with a balance owed has declined in the last year (see table 6.7), as a result of an enduring period of lower benefit numbers and lesser values of overpayments. The number of clients with a liable parent contribution or maintenance balance continues to decline as these programmes have been defunct for many years. The number of clients with student allowance overpayment balances owed has decreased in the last year. This follows a large increase in 2005/2006 when data matching Student Allowance recipients with Inland Revenue commenced, which resulted in the detection of more Student Allowance overpayments.

table
6.7

Trends in the number of clients with a balance owed, by category

Financial year ¹	Recoverable Assistance Loans or Benefit Overpayments		Other Categories of Balances Owed				Total clients with a balance owed ²
	Current clients ³	Former clients ⁴	Liable Parent Contributions ⁵	Maintenance ⁶	Student ⁷	Employment Training and Assistance ⁸	
2000/2001	170,561	121,613	28,653	9,792	3,480	609	334,708
2001/2002	173,296	127,788	26,639	8,691	3,729	624	340,767
2002/2003	176,025	108,709	10,240	4,825	3,817	637	304,253
2003/2004	182,082	114,888	8,341	3,025	4,209	101	312,646
2004/2005	185,551	123,931	7,219	2,607	4,208	96	323,612
2005/2006	189,561	126,513	6,430	2,253	10,834	113	335,704
2006/2007	178,496	129,219	5,679	1,977	8,925	99	324,395

Notes

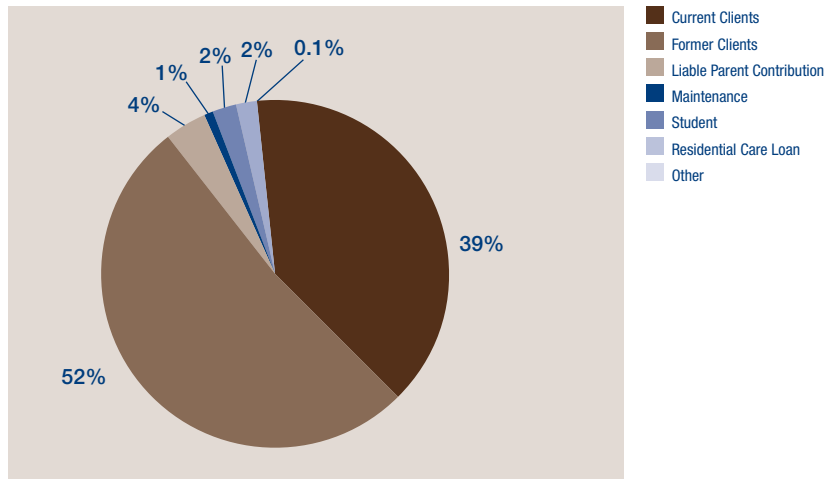
- 1 Financial years ended 30 June.
- 2 The total number of clients with a balance owed may be overstated because of double-counting where a person has a balance owed in more than one category.
- 3 Clients currently receiving financial assistance from Work and Income who have an outstanding balance of overpayment or recoverable assistance loan.
- 4 Clients no longer receiving financial assistance from Work and Income who have an outstanding balance of overpayment or recoverable assistance loan.
- 5 The Liable Parent Contribution Scheme ended in 1992. This number represents liable parents with arrears of payments.
- 6 Administration of Maintenance Orders and registered agreements ended in 1992. This number represents Crown maintenance clients with arrears of payments.
- 7 Clients with a balance owed as a result of overpayment of Student Allowance or fraudulent overpayment of Student Loan.
- 8 Clients with balance owed as result of having received employment-related grants and allowances. An example is Enterprise Allowance which is a temporary subsidy available to clients entering self employment while their business is being established. An overpayment occurs where the terms of the Enterprise Allowance agreement have been breached.

Composition of Balances Owed

Ninety-one percent of the total value owed is recoverable assistance loans or overpayment of benefit owed by both current and former clients (see figure 6.1).

figure 6.1

Total Composition of Balances Owed to the Crown at 30 June 2007



Payment overseas of New Zealand Superannuation, Veteran’s Pensions and main benefits

Introduction

There are three main provisions that allow New Zealand Superannuation, Veteran’s Pensions and main benefits to be paid to overseas residents:

- social security agreements which allow New Zealand Superannuation, Veterans; Pensions and some main benefits to be paid overseas
- the general portability provisions which apply to all countries with which New Zealand does not have a social security agreement or are not covered by the special portability arrangement for Pacific countries
- the special portability arrangement for Pacific countries which applies to 22 specified Pacific countries.

Current social security agreements

New Zealand currently has social security agreements with Australia, the United Kingdom, the Netherlands, the Republic of Ireland, Greece (the Hellenic Republic), Canada, Denmark, and Jersey and Guernsey. An agreement was signed with Italy in June 1998, but it has not yet been ratified by Italy.

Australia

The agreement covers New Zealand Superannuation, Veteran’s Pensions and Invalid’s Benefits for people with severe disabilities. Under this agreement, individual pensioners receive dual payments (one from each Government, according to the proportion of the individual’s working life spent in each country).

People going to Australia can use their periods of residence in New Zealand to help them qualify for the Australian benefits or pensions covered by the agreement. Conversely, periods of residence in Australia will assist people coming to live in New Zealand to qualify for New Zealand benefits or pensions covered by the agreement.

Benefit reimbursements from New Zealand to Australia, which were calculated under the provisions of the previous agreement, continue to be made. Reimbursement amounts are set out in the new agreement and should phase out in approximately 2015. The reimbursement for the financial year beginning 1 July 2006 was \$AUD61.72 million.

At the end of June 2007 there were 3,928 people receiving Australian benefits and pensions in New Zealand. At the same date, there were 10,397 people receiving New Zealand benefits and pensions in Australia. Of these, 8,213 people were receiving New Zealand Superannuation, while 2,161 were receiving an Invalid's Benefit and 23 were receiving a Veteran's Pension.

The United Kingdom

People going to the United Kingdom (UK) can use their periods of residence in New Zealand to help them qualify for a UK pension and certain other social security payments. People coming from the UK to New Zealand can use periods of UK residence to help them qualify for a New Zealand benefit. In addition, UK pensions are paid to New Zealand residents under UK domestic law.

There were 40,417 people receiving UK pensions in New Zealand at the end of June 2007.

The Netherlands

People who have lived in New Zealand may, under the terms of the agreement, qualify for New Zealand Superannuation, Veteran's Pension, Invalid's Benefit, Widow's Benefit or Domestic Purposes Benefit for widowers while they are living in the Netherlands. The rate of payment is based on whole months of residence in New Zealand since age 20.

Anyone arriving in New Zealand from the Netherlands may use periods of residence or contributions made in the Netherlands to meet the residence criteria for New Zealand benefits within the scope of the agreement.

At the end of June 2007, there were 3,148 people receiving Netherlands pensions in New Zealand. At the same date, there were 1,003 people receiving New Zealand income services in the Netherlands. Of these, 998 people were receiving New Zealand Superannuation, three were receiving an Invalid's Benefit, and two were receiving a Widow's Benefit.

The Republic of Ireland

Former New Zealand residents may qualify for New Zealand Superannuation, Veteran's Pension, Widow's Benefit, Invalid's Benefit, Domestic Purposes Benefit for widowers or Orphan's Benefit while they are living in the Republic of Ireland. The rate of payment is based on whole months of residence in New Zealand since age 20.

People coming to live in New Zealand from the Republic of Ireland may use periods of contributions to the Irish social security scheme as periods of New Zealand residence to assist them to meet the residence criteria for New Zealand income services.

At the end of June 2007, there were 112 people receiving New Zealand Superannuation in the Republic of Ireland. At the same date, there were 159 Irish pensions being paid in New Zealand.

Greece (the Hellenic Republic)

Former New Zealand residents may qualify for New Zealand Superannuation, Veteran's Pension, Widow's Benefit, Invalid's Benefit or Domestic Purposes Benefit for widowers while they are living in Greece. The rate of payment is based on whole years of New Zealand residence since age 20. Orphan's Benefit and funeral grants may also be payable at the full New Zealand rate.

People arriving in New Zealand from Greece may use periods of residence and/or insurance in Greece to qualify for New Zealand benefits and pensions within the scope of the agreement. Periods of residence in New Zealand will also assist people who have made limited Greek insurance contributions to qualify for a Greek pension.

At the end of June 2007, there were 263 people in Greece who were receiving New Zealand Superannuation, along with five receiving an Invalid's Benefit and one receiving a Widows Benefit. At the same date, there were 15 Greek pensions being paid to New Zealand residents.

Canada

Former New Zealand residents may qualify for New Zealand Superannuation, Veteran's Pension, Widow's Benefit, Invalid's Benefit or Domestic Purposes Benefit for widowers while they are living in Canada. The rate of payment is based on whole months of New Zealand residence since age 20.

Anyone arriving in New Zealand from Canada may use periods of residence or contributions made in Canada to meet the residence criteria for New Zealand benefits and pensions within the scope of the agreement. Periods of residence in New Zealand will also assist people who have made limited contributions to the Canadian scheme, or who have insufficient periods of Canadian residence, to qualify for a Canadian pension.

At the end of June 2007, there were 433 people receiving New Zealand Superannuation in Canada, along with six receiving an Invalid's Benefit. At the same date, there were 647 Canadian pensions being paid in New Zealand.

Denmark

Former New Zealand residents may qualify for New Zealand Superannuation, Widow's Benefit, Invalid's Benefit or Domestic Purposes Benefit for widowers while they are living in Denmark. The rate of payment is based on whole months of New Zealand residence since age 20.

Anyone arriving in New Zealand from Denmark may use periods of residence or contributions made in Denmark to meet the residence criteria for New Zealand benefits and pensions within the scope of the agreement. Periods of residence in New Zealand will also assist people who have made limited contributions to the Danish scheme, or who have insufficient periods of Danish residence, to qualify for a Danish pension. To qualify for a Danish pension under the agreement, a person must be either a Danish or New Zealand citizen.

At the end of June 2007, there were 50 people receiving New Zealand Superannuation in Denmark, along with two receiving an Invalid's Benefit. At the same date, there were 80 Danish pensions being paid in New Zealand.

Jersey and Guernsey

Former New Zealand residents may qualify for New Zealand Superannuation, Veteran's Pensions, Widow's Benefit, Invalid's Benefit or Domestic Purposes Benefits for widowers while they are living in Jersey or Guernsey. The rate of payment is based on whole years of New Zealand residence since age 20.

People coming to New Zealand who have made contributions to the Jersey or Guernsey social insurance schemes can use those periods of insurance to qualify for New Zealand benefits and pensions within the scope of the agreement, which includes the Sickness Benefit. Periods of residence in New Zealand will also assist people who have made limited contributions to the Jersey or Guernsey insurance schemes to qualify for pensions available under those schemes.

At the end of June 2007, there were 58 people receiving New Zealand Superannuation in Jersey and Guernsey. At the same date, there were 156 Jersey or Guernsey pensions being paid in New Zealand.

Trends in the number of recipients of pensions or main benefits in New Zealand who qualify under social security agreements

People who have come to New Zealand from overseas may qualify for certain New Zealand benefits or pensions under social security agreements because periods of residence or social security contributions in a country with which New Zealand has a social security agreement can be used to meet the residence requirements for New Zealand benefits and pensions. People may also qualify for certain New Zealand benefits and pensions under social security agreements while residing overseas.

The total number of clients (living in New Zealand or overseas) who have qualified for New Zealand benefits or pensions under international agreements has increased since 2003. In 2007, 66% of these clients qualified under the agreement with Australia (see table 6.8).

Growth in numbers qualifying under the agreement with Australia reflects changes made under the revised 2002 agreement. Former New Zealand residents living in Australia and qualifying under the 2002 agreement may now receive New Zealand benefits or pensions. Prior to the 2002 Agreement, former New Zealander residents could only receive Australian benefits or pensions which were reimbursed by the New Zealand Government.

table
6.8

Trends in the number of clients qualifying for New Zealand pensions or main benefits under social security agreements, by country of reciprocity

Country of reciprocity	Number of clients receiving New Zealand benefits or pensions who qualified by social security agreements ¹				
	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
Australia	1,800	3,822	6,331	8,870	11,706
Canada	235	282	320	390	447
Denmark	80	90	81	91	90
Greece	173	198	249	226	255
Ireland	106	138	140	123	143
Jersey and Guernsey	66	69	67	69	71
Netherlands	781	812	829	898	952
United Kingdom	3,693	3,899	3,782	3,860	3,959
Total	6,934	9,310	11,799	14,527	17,623

Note

¹ Numbers recorded as receiving payments at the end of June who qualified through social security agreements.

Other provisions for payment of New Zealand Superannuation and Veteran's Pension overseas

General portability

Under the general portability provision, people eligible to receive New Zealand Superannuation or a Veteran's Pension in their own right may receive 50% of their payment while they are living outside New Zealand, provided that they are not living in a country that has a social security agreement with New Zealand. Applications under this provision must be made while the applicant is resident in New Zealand.

The principal destinations are China, India and the United States.

At the end of June 2007, 210 people were receiving pension payments under the general portability provision.

Special portability arrangement for Pacific countries

People leaving New Zealand to reside in one of 22 Pacific countries can receive a rate of New Zealand Superannuation or a Veteran's Pension that is based on their New Zealand residence since the age of 20 years. People residing in New Zealand for 10 years since the age

of 20 years receive 50% of New Zealand Superannuation or a Veteran's Pension. People residing in New Zealand for 10-20 years since the age of 20 years are entitled to an additional 5% of New Zealand Superannuation or a Veteran's Pension for each year of residence over 10 years. At the date of application, they must be both resident and present in New Zealand and intending to live in one of the specified Pacific countries for 52 weeks or more.

Pacific countries covered by the arrangement are: American Samoa, the Cook Islands, the Federated States of Micronesia, Fiji, French Polynesia, Guam, Kiribati, Marshall Islands, Nauru, New Caledonia, Niue, Northern Mariana Islands, Palau, Papua New Guinea, Pitcairn Island, Samoa, Solomon Islands, Tokelau, Tonga, Tuvalu, Vanuatu, and Wallis and Fortuna.

At the end of June 2007, New Zealand was paying 497 people under the special portability arrangements.

The significantly larger uptake of special portability as opposed to general portability reflects the more generous payment provisions of the former, the proximity of Pacific countries, and the close family links that are often maintained even after a person's immigration to New Zealand from a Pacific country.

Trends in total payments to New Zealanders living overseas

New Zealanders living overseas may be eligible to receive New Zealand Superannuation or a Veteran's Pension under the special and general portability provisions of the Payment Overseas programme and under social security agreements.

At the end of June 2007, 13,037 New Zealanders living overseas were receiving payments of pensions or main benefits from New Zealand. Of these people, 10,831 were receiving New Zealand Superannuation, while 2,177 were receiving Invalid's Benefits, 26 were receiving Veteran's Pensions and three were receiving Widow's Benefits.

The increase in the number of New Zealand Superannuation payments overseas since 2003 is mostly attributable to the number of superannuitants who have moved from New Zealand to Australia.

Foreign pensions paid into New Zealand

Please note that some people receive a reduced rate of New Zealand benefit because they are also receiving overseas pensions paid into New Zealand under social security agreements or from non-agreement countries.

Trends in the number of Work and Income clients receiving overseas pensions

The number of Work and Income clients who were also receiving overseas pensions has decreased slightly in the last year after increasing between 2003 and 2006. Over this period, the proportion of these clients who were receiving a United Kingdom pension has decreased from 93% to 81%. Clients receiving Australian and Netherlands pensions accounted for most of the corresponding increase (see table 6.9).

table
6.9

Trends in the number of Work and Income clients receiving an overseas pension, by country the pension is received from

	Number of Work and Income clients receiving an overseas pension ¹				
	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
Argentina	0	0	1	1	2
Australia	15	914	2,549	3,960	3,928
Austria	0	0	4	6	10
Barbados	1	3	3	3	3
Belgium	3	4	4	8	8
Bulgaria	0	3	4	10	13
Canada	210	306	387	554	647
Chile	0	1	0	0	3
China, People's Republic of	77	166	153	131	337
Cook Islands	0	0	0	2	2
Croatia	0	0	1	4	6
Czechoslovakia, former state of	0	2	2	4	5
Denmark	29	62	71	80	80
Egypt	0	1	0	0	1
Fiji	8	45	56	40	90
Finland	0	0	2	1	3
France	2	5	8	14	16
French Polynesia	0	0	2	1	1
Germany	55	87	108	153	171
Greece	17	19	19	12	15
Guernsey	44	49	51	69	78
Hong Kong	0	0	0	1	6
Hungary	0	1	1	3	5
India	4	24	20	26	43
Ireland	71	91	131	168	159
Isle of Man	23	24	26	37	37
Israel	1	1	1	1	1
Italy	2	2	3	4	6
Japan	0	4	5	14	18
Jersey	50	50	63	80	78
Korea, Republic of	0	0	0	2	5
Malaysia	0	2	3	13	20
Malta	0	1	1	0	0
Marshall Islands	0	0	1	0	1
Netherlands	1,989	2,400	2,709	3,027	3,146
New Caledonia	0	0	0	1	1
Norway	2	3	3	6	4
Peru	0	0	0	1	1
Philippines	12	20	22	45	53
Poland	0	1	2	4	6
Portugal	0	0	1	1	2
Romania	0	0	0	0	3
Samoa, American	0	0	0	3	3
Samoa, Western	0	0	0	4	5
Singapore	0	2	2	1	1
South Africa, Republic of	9	26	36	14	62
Sri Lanka	31	57	53	22	34
Sweden	1	3	2	7	9
Switzerland	40	82	110	138	150
Tahiti	1	1	1	1	1
Union of Soviet Socialist Republics, former	0	13	22	29	31
United Kingdom	35,111	37,754	40,193	42,521	40,417
United States of America	53	98	150	223	274
Yugoslavia, former state of	2	7	9	12	15
Zimbabwe	1	2	2	2	0
Total	37,864	42,336	46,996	51,464	50,019

Notes

¹ Numbers of Work and Income clients recorded as receiving an overseas pension as well as a pension or benefit at the end of June. This table excludes people who are not receiving financial assistance from Work and Income.

Section 7 Trends since 1940 in use of, and expenditure on, pensions and main benefits

Table 7.1 shows trends since 1940 in the number of clients receiving pensions and main benefits. Table 7.2 shows trends since 1940 in expenditure on these financial services.

table
7.1

Historical summary – number of people receiving pensions and main benefits 1940–2007^{1,2}

Year ³	Unemployment-related benefits and Emergency Benefits ⁴	Independent Youth Benefit ⁵	Sickness-related benefits ⁶	Invalid's Benefit	Miner's Benefit
1940	4,053		2,565	11,811	988
1945	198		4,233	12,205	783
1950	12		4,931	9,476	636
1955	19		4,277	8,110	481
1960	312		4,064	8,024	353
1965	208		4,681	7,951	184
1970	983		5,876	8,342	98
1975	2,894		7,830	9,414	45
1980	20,850		7,504	15,647	21
1985	38,419		9,627	21,464	11
1986	42,405		9,517	21,993	10
1987	63,922		11,116	23,087	10
1988	86,782		13,132	24,379	9
1989	123,565		16,021	26,260	7
1990	149,078		19,511	27,824	6
1991	158,204	2,538	20,147	30,746	3
1992	174,542	3,682	24,093	31,831	1
1993	176,872	4,364	28,729	34,957	
1994	166,703	3,313	31,535	37,030	
1995	148,161	2,891	34,037	39,686	
1996	142,539	3,020	33,332	42,423	
1997	149,058	2,755	34,194	46,160	
1998	158,412	2,867	35,291	49,468	
1999	165,722	3,481	33,022	51,173	
2000	155,594	3,566	32,294	55,392	
2001	141,214	3,635	33,620	59,812	
2002	126,934	2,998	36,380	64,529	
2003	113,495	2,702	39,902	68,507	
2004	83,425	2,287	44,128	72,342	
2005	64,811	2,011	45,646	74,796	
2006	55,448	1,676	47,559	77,046	
2007	39,029	1,294	48,587	79,077	

Notes

- 1 An historical summary of the number of people receiving pensions or main benefits prior to 1940 is included in the 1990 New Zealand Official Yearbook, p. 210. Since 1975, the numbers of people receiving Emergency Benefits or receiving benefits granted because of hardship have been included in the numbers receiving pensions or main benefits in the group concerned.
- 2 All figures given, apart from those for New Zealand Superannuation and Veteran's Pension, exclude spouses and partners who receive a share of the main benefits paid to their partner or spouse. Figures for New Zealand Superannuation and Veteran's Pension include non-qualified spouses from 1996.
- 3 Prior to 1990, the year ended 31 March; from 1990 onwards, the year ended 30 June.
- 4 Excludes people receiving an Independent Youth Benefit. Includes Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people or trainees, and Emergency Benefits paid to unemployed people or trainees. Includes persons aged 55 or over receiving an Unemployment Benefit. Includes Emergency Unemployment Benefits from 1991 to 1998 and Job Search Allowances from 1991 to 1995. From 1998, includes Young Job Seeker's Allowances and Emergency Benefits. From 1 July 2001, includes Unemployment Benefits – Hardship – Student. From 1 October 1998 until 30 June 2001, the main benefit in this group was known as a Community Wage – Job Seeker, and from 1 July 2001, it has been known as an Unemployment Benefit.
- 5 Includes Job Search Allowance from 1996 to 1998.

Please note that expenditure figures given in Table 7.2 include expenditure on supplementary benefits received by people who are receiving the pensions or main benefits indicated, while expenditure data published in other sources may not. In addition, expenditure data in Table 7.2 (from 1996) reflects deductions for debts established and for clients receiving overseas pensions as well as the benefits shown. For these reasons, expenditure information in Table 7.2 may differ from expenditure information on benefits and pensions published in other sources.

	Carer's benefits ⁷	Widow's Benefit	Unsupported Child's Benefit and Orphan's Benefit	Family Benefit ⁸	Transitional Retirement Benefit ⁹	New Zealand Superannuation ¹⁰	Veteran's Pension ¹¹
		10,174	330	11,053		93,262	
		10,965	421	24,251		158,332	
		14,198	366	254,920 ⁸		186,512	
		12,197	300	298,370		199,236	
		13,049	277	343,193		204,036	
		14,529	316	376,824		214,659	
		15,663	315	408,397		241,772	
	17,231	16,738	376	452,389		289,348	
	37,040	16,120	413	460,897		405,834	
	56,548	13,557	365	455,961		459,813	
	62,570	13,304	364	455,330		465,079	
	69,146	13,019	496	450,072		473,401	
	74,862	12,862	1,537	436,066		479,985	
	85,615	13,026	2,993	437,287		485,962	
	94,823	12,676	5,239	446,373		495,500	3,428
	97,000	10,989	2,931			506,047	3,130
	96,722	9,873	3,135			504,561	5,393
	96,335	10,259	3,539			488,893	6,117
	100,256	9,012	4,093		6,540	477,400	6,278
	104,027	9,007	4,280		7,327	469,239	6,380
	108,790	9,043	4,655		7,832	481,565	6,687
	112,283	9,132	4,833		7,953	474,451	7,176
	113,329	9,372	5,078		8,151	469,307	7,277
	109,516	9,178	5,383		8,743	461,137	7,334
	108,939	9,104	5,799		8,856	453,401	7,248
	107,821	8,900	6,075		9,012	446,706	7,425
	108,009	8,774	6,332		5,118	450,435	7,587
	109,295	8,659	6,789		2,110	457,278	7,872
	109,526	8,413	7,051			464,624	8,465
	106,330	7,795	7,279			475,215	8,871
	102,331	7,181	7,502			488,825	9,472
	97,111	6,471	7,587			502,717	10,065

6 Includes Sickness Benefits and Sickness Benefits – Hardship.

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

8 Family Benefits were paid without a means test from 1 April 1946 and were abolished from 1 April 1991. Ongoing problems with data and programs used to extract the statistics relating to Family Benefit have meant that these statistics are of uncertain accuracy.

9 Transitional Retirement Benefits were introduced on 1 April 1994 and abolished on 1 April 2004.

10 Up to 1975, superannuation and age-related pensions were combined. From 1976, superannuation and age-related pensions were replaced by National Superannuation. For the period 1 April 1990 to 31 March 1992, this pension was called Guaranteed Retirement Income. Between 1 April 1992 and 31 March 1994, it was known as National Superannuation, and from 1 April 1994 onward, it has been known as New Zealand Superannuation. The age of eligibility was raised to 61 on 1 April 1992, and was raised progressively to reach 65 years on 1 April 2001. This table excludes non-qualified spouses before 1996, but includes them for 1996 and for later years.

11 From 1996, includes non-qualified spouses receiving Veteran's Pensions, but excludes numbers receiving War Pensions. From 1 July 1999, Veteran's Pensions and War Pensions have been funded from Vote: Veteran's Affairs – Social Development.

table
7.2**Historical summary – expenditure on pensions and main benefits 1940–2007**
(\$'000)^{1,2,3,4,5}

Year ⁶	Unemployment-related benefits and Emergency Benefits ⁷	Independent Youth Benefit ⁸	Sickness-related benefits ⁹	Invalid's Benefit	Miner's Benefit
1940	869		418	1,884	185
1945	56		704	2,145	149
1950	21		2,017	2,795	240
1955	11		2,554	3,233	257
1960	380		3,439	4,237	226
1965	197		3,914	4,830	153
1970	1,465		6,073	6,093	99
1975	5,155		15,887	13,665	84
1980	66,077		33,236	40,924	76
1985	274,689		72,550	105,724	72
1986	290,462		91,762	133,287	76
1987	459,685		124,292	159,823	74
1988	672,694		159,850	196,051	69
1989	987,275		197,745	226,304	72
1990	1,291,516		229,568	260,751	68
1991	1,483,324		248,672	289,212	39
1992	1,519,794	25,605	239,415	348,810	14
1993	1,638,905	28,640	284,597	372,786	
1994	1,591,047	26,263	329,995	422,324	
1995	1,407,266	21,547	352,167	463,598	
1996	1,373,513	21,552	378,850	494,849	
1997	1,468,178	20,739	406,164	555,200	
1998	1,593,891	20,764	434,956	622,157	
1999	1,688,066	26,610	403,708	654,432	
2000	1,679,544	29,229	384,680	700,385	
2001	1,576,914	31,532	385,680	761,656	
2002	1,456,216	29,782	415,683	843,535	
2003	1,325,672	25,205	460,209	926,515	
2004	1,133,429	23,350	518,943	996,639	
2005	882,817	20,628	571,866	1,057,376	
2006	763,757	18,266	612,367	1,097,936	
2007	652,390	15,827	640,912	1,155,312	

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 expenditure. Accrual figures are also net of debts established and recoveries from clients receiving overseas pensions as well as the above benefits or pensions.
- Expenditure figures shown here are net of taxation, except for New Zealand Superannuation which is shown gross of taxation.
- Expenditure figures include expenditure on selected supplementary benefits paid to clients receiving the benefits and pensions shown. The selected supplementary benefits are Accommodation Supplements, Disability Allowances, Disability Allowances – Telephone Support, Disability Assistance Programme payments, Tenure Protection Allowances, Special Transfer Allowances, Training Incentive Allowances, Special Benefits, Temporary Additional Support, non-recoverable Special Needs Grants, Community Costs Programme, Transition to Work assistance, Course Participation Assistance, Transitional Supplement, Student Allowance Transfer Grants and Residential Social Rehabilitation Assistance Programme payments.
- Expenditure data in this table differs from, and should not be cited as, MSD's official measure of expenditure on financial assistance provided to clients.
- An historical summary of expenditure on income support prior to 1940 is included in the 1990 New Zealand Official Yearbook, p. 210. Expenditure since 1977 on Emergency Benefits or benefits paid on grounds of hardship has been included in expenditure on the related benefit.
- Prior to 1990, the year ended 31 March; from 1990 onwards, the year ended 30 June.
- Includes expenditure on Unemployment Benefits and Unemployment Benefits – Hardship paid to unemployed people and to people in training, on Emergency Benefits paid to unemployed people or to people in training, and on Independent Youth Benefits. Includes expenditure on unemployment-related benefits paid to people aged 55 years or over. From 1991 to 1998, includes Emergency Unemployment Benefits and Job Search Allowances. From 1998, includes Young Job Seeker's Allowances and Emergency Benefits. From 1 July 2001, includes Unemployment Benefits – Hardship – Student. From 1 October 1998, the main benefit in this group was known as a Community Wage – Job Seeker, and from 1 July 2001, it has been known as Unemployment Benefit.

Carer's benefits ¹⁰	Widow's Benefit	Unsupported Child's Benefit and Orphan's Benefit	Family Benefit ¹¹	Transitional Retirement Benefit ¹²	New Zealand Superannuation ¹³	Veteran's 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	
460,385	78,495	1,004	284,167		2,743,512	
603,878	89,338	1,281	281,957		3,341,211	
709,568	94,732	1,700	273,248		3,650,165	
808,787	104,170	6,174	290,556		3,986,544	
962,871	106,062	14,074	258,445		4,314,259	
1,136,718	114,888	24,742	284,444		4,774,676	1,147
1,207,856	106,070	20,697	222,996		5,173,859	29,639
1,161,191	85,468	15,080			5,514,482	33,331
1,159,737	84,977	16,473			5,315,899	47,793
1,228,054	86,665	19,185		17,385	5,102,551	54,660
1,300,173	81,258	20,557		79,167	5,083,119	57,217
1,440,122	85,008	22,929		90,698	5,170,506	60,612
1,563,488	91,249	26,870		96,819	5,239,129	64,963
1,654,035	93,931	29,831		99,875	5,259,198	70,414
1,610,910	93,235	32,152		105,412	5,221,501	72,645
1,590,813	91,592	35,413		112,384	5,227,598	73,801
1,575,974	89,008	38,567		114,108	5,422,012	78,354
1,588,381	88,958	41,953		86,567	5,600,488	83,605
1,634,477	90,265	47,081		42,013	5,798,873	87,625
1,716,917	90,252	50,991		9,679	6,059,395	95,803
1,725,624	87,424	55,827			6,269,743	103,890
1,682,154	82,446	64,624			6,615,876	112,335
1,634,442	77,534	70,579			7,021,852	125,207

8 Independent Youth Benefits began in December 1990, and expenditure is included in expenditure on unemployment-related benefits. Expenditure on Independent Youth Benefits has also been separated out as far as possible.

9 Includes expenditure on Sickness Benefits and Sickness Benefits – Hardship.

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

11 Family Benefits were paid without a means test from 1 April 1946, and were abolished from 1 April 1991. Ongoing problems with data and programs used to extract the statistics related to Family Benefits have meant that these figures are of uncertain accuracy.

12 Transitional Retirement Benefits were introduced on 1 April 1994, and abolished on 1 April 2004.

13 Up to 1975, superannuation and age-related pensions were combined. From 1976, superannuation and age-related pensions were replaced by National Superannuation. For the period 1 April 1990 to 31 March 1992, this pension was called Guaranteed Retirement Income. From 1 April 1992 to 31 March 1994, it was known as National Superannuation, and from 1 April 1994, it has been known as New Zealand Superannuation. The age of eligibility was raised to 61 on 1 April 1992, and was raised progressively to reach 65 years on 1 April 2001. This table includes expenditure since 1940 on non-qualified spouses receiving New Zealand Superannuation.

14 Includes expenditure since 1940 on non-qualified spouses receiving a Veteran's Pension, but excludes expenditure on War Pensions. From 1 July 1999, Veteran's Pensions and War Pensions have been funded from Vote: Veteran's Affairs – Social Development.

Appendix 1 Administration of benefits and pensions

Income testing

Clients are subject to an income test if they are receiving:

- main benefits apart from Invalid's Benefits paid to totally blind people
- supplementary benefits apart from Unsupported Child's Benefits, Orphan's Benefits or a Child Disability Allowance.

Income testing involves both of the following:

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

Unsupported Child's Benefits and Orphan's Benefits are tested on the income (other than personal earnings) of the child for whom these benefits are paid.

Income is defined in section 3 of the Social Security Act 1964 as any money received (before income tax) that is not a one-off capital payment. It includes wages, salary, commission and Parental Leave payments, and the value of any interest (before income tax) acquired that is not a one-off capital payment. Whether or not money received is taxed is irrelevant to identifying it as income.

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

Clients are required to declare other income received while they are in receipt of a main benefit. Receipt of other income over a certain level (generally \$80 per week before tax) leads to abatement of the main benefit received. Supplementary benefits may be abated due to receipt of other income even when the level of income received is too low to affect the client's main benefit.

New Zealand Superannuation and Veteran's Pensions are not income tested unless:

- non-qualified spouses are included, or
- the qualified client receiving a Veteran's Pension is aged under 65 years.

Work testing

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

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

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

For many clients who are not exempted from the work test and who have no dependent children aged under six years, fulfilling their work-test requirements involves registering as job seekers.

Any work or training being undertaken (whether this began before or after they became subject to a work test) may be counted toward fulfilling a client's obligations under the work test.

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

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

The Personal Development and Employment Plan

The Personal Development and Employment Plan process involves the development and implementation of a plan to assist the client in moving toward employment, and therefore toward economic and social participation in society. The planning process involves:

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

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

- any features of individual circumstances or parenting responsibilities that may affect their ability to obtain employment
- any specific constraints on the client's ability to obtain or retain employment that arise from the client's individual circumstances or parenting responsibilities
- any practical assistance that the client may need in order to support themselves through employment
- the client's skills and experience (including those developed through unpaid work) that are relevant to helping them find the most effective path to enable them to obtain employment.

The plan should:

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

The client is expected to:

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

Case managers may, with the agreement of their manager, waive the requirement that the client participate in the Personal Development and Employment Plan process:

- permanently in some restricted circumstances (terminal illness, residing overseas)
- for up to three months after consideration of:
 - the ability of the client to co-operate in planning for their future
 - whether it would be reasonable to expect the client to participate in the planning process at this time
 - the client's individual circumstances (eg bereavement, mental health issues, birth of a new baby, recent or difficult separation).

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



Appendix 2 Definition of the officially unemployed, and differences from registered job seekers

Definition of the officially unemployed

The officially unemployed are people aged 15-64 years who:

- are without any paid work and without unpaid work in a relative's business
- have actively sought work in the previous four weeks (ie done more than check newspaper advertisements)
- are available to take up work.

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

Key differences between the officially unemployed and registered job seekers

There are a number of differences between registered job seekers and people counted as officially unemployed. These differences contribute to these measures of unemployment being incompatible. It should be noted that the count of registered job seekers used in this report is an administrative measure only, and should not be treated as an official measure of unemployment.

The key differences between registered job seekers and the officially unemployed concern:

- whether and how much people can work before being counted as unemployed – registered job seekers may be working up to 29 hours per week, as long as they are seeking to increase their hours of work; the officially unemployed, however, must have had no paid work and no unpaid work in a relative's business
- what job search activities the unemployed must be undertaking – there are no specific job search criteria for registered job seekers, although people who face a work test have an obligation to take reasonable steps to find suitable paid employment; the officially unemployed, however, must have actively sought work (ie done more than looking at job advertisements in the newspaper) within the previous four weeks
- availability for work – most registered job seekers are expected to be available for work but, at any time, some (eg those caring for a sick child) may not be immediately available; all of the officially unemployed, however, must either be available to start work or have a job to start in the next four weeks.

Appendix 3 SWIFTT and SOLO data showing the ages of clients receiving financial assistance and registered as job seekers

table
A3.1

Trends in numbers of people aged 18 years or over and receiving Work and Income assistance (used in figure 2.1)

Population group and assistance received at the end of June	Clients receiving Work and Income assistance				
	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
Working aged clients receiving a main benefit ¹	334,173	309,360	290,466	280,299	261,009
Working aged clients registered as job seekers ²	141,200	104,360	80,869	75,020	58,090
Clients aged 65 years or over receiving a pension ³	446,027	455,090	467,201	482,637	498,318
People aged 18 or over receiving one or more supplementary benefits, Temporary Additional Support or a Special Benefit ⁴	434,014	429,153	441,369	455,146	454,081

Notes

- 1 Numbers of working aged clients recorded in SWIFTT as receiving a main benefit at the end of June.
- 2 Numbers of working aged job registered in SOLO at the end of June.
- 3 Numbers of clients aged 65 years or over recorded in SWIFTT as receiving a pension at the end of June. Excludes clients receiving War Disablement Pensions.
- 4 Numbers of clients aged 18 years or over recorded in SWIFTT as receiving one or more supplementary benefits (including an Unsupported Child's Benefit or an Orphan's Benefit), Temporary Additional Support or a Special Benefit. Includes some clients receiving one or more supplementary benefits and Temporary Additional Support or a Special Benefit.

table
A3.2

Trends in the ages of children aged under 18 years and dependent on clients receiving a main benefit (used in figure 2.2)

Age of child at the end of June	Children under 18 years dependent on clients receiving a main benefit ¹				
	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
0-4 years	77,579	75,190	70,914	67,173	63,775
5-9 years	77,316	74,220	69,967	65,665	59,872
10-13 years	57,088	54,405	51,374	48,154	43,906
14-17 years	40,638	41,148	40,552	39,759	37,116
Total children aged under 18 years	252,621	244,963	232,807	220,751	204,669

Note

- 1 Numbers of children aged under 18 years and recorded in SWIFTT as dependent on clients receiving a main benefit at the end of June.

table
A3.3**Trends in the ages of children aged under 18 years and dependent on registered job seekers (used in figure 2.3)**

Age of child at the end of June	Children under 18 years dependent on registered job seekers ^{1,2}				
	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
0–4 years	16,650	13,819	10,801	9,843	7,661
5–9 years	22,364	15,790	11,594	11,041	8,518
10–13 years	21,046	13,774	9,725	9,059	7,159
14–17 years	16,135	11,226	8,219	8,044	6,795
Total children aged under 18 years	76,195	54,609	40,339	37,987	30,133

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. Between 2003 and 2007, the proportion of registered job seekers receiving such assistance decreased markedly, but remains a significant majority of all registered job seekers.
- Numbers of children recorded in SWIFTT as dependent on job seekers who are registered in SOLO at the end of June.

table
A3.4**Trends in the ages of working aged clients receiving an unemployment-related benefit (used in figure 3.1)**

Age of client at the end of June	Working aged clients receiving an unemployment-related benefit ^{1,2}				
	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
18–24 years	29,875	20,269	15,281	12,137	7,500
25–39 years	32,436	22,195	16,764	14,278	9,149
40–49 years	15,836	10,911	8,187	7,091	4,849
50–59 years	14,831	9,671	6,745	5,551	3,647
60–64 years	10,889	10,526	8,365	6,441	4,343
Total working aged clients	103,867	73,572	55,342	45,498	29,488

Notes

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

table
A3.5**Trends in the number of clients aged 16–17 years and receiving an Independent Youth Benefit (used in figure 3.2)**

	Clients aged 16–17 years receiving an Independent Youth Benefit ¹				
	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
Total aged 16–17 years	2,612	2,169	1,914	1,611	1,203

Note

- Numbers of clients aged 16–17 years recorded in SWIFTT as receiving an Independent Youth Benefit at the end of June.

table
A3.6**Trends in the ages of working aged clients receiving a Domestic Purposes Benefit – Sole Parent or an Emergency Maintenance Allowance (used in figure 3.4)**

Age of client at the end of June	Working aged clients receiving a Domestic Purposes Benefit – Sole Parent or an Emergency Maintenance Allowance ¹				
	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
18–24 years	18,476	18,499	17,911	17,479	17,274
25–39 years	58,929	57,657	54,823	51,609	47,348
40–49 years	21,823	22,518	22,285	21,500	20,433
50–59 years	3,083	3,451	3,629	3,835	3,894
60–64 years	205	199	181	190	195
Total working aged clients	102,516	102,324	98,829	94,613	89,144

Note

- 1 Numbers of working aged clients recorded in SWIFTT as receiving a Domestic Purposes Benefit – Sole Parent or Emergency Maintenance Allowance at the end of June.

table
A3.7**Trends in the ages of working aged clients receiving a sickness-related benefit (used in figure 3.6)**

Age of client at the end of June	Working aged clients receiving a sickness-related benefit ^{1,2}				
	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
18–24 years	5,306	5,486	5,705	6,530	6,763
25–39 years	12,272	13,201	13,194	13,669	13,835
40–49 years	9,867	10,533	10,689	11,140	11,254
50–59 years	9,283	11,235	11,682	11,489	11,406
60–64 years	2,762	3,243	3,906	4,244	4,805
Total working aged clients	39,490	43,698	45,176	47,072	48,063

Notes

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

table
A3.8**Trends in the ages of working aged clients receiving an Invalid's Benefit (used in figure 3.8)**

Age of client at the end of June	Working aged clients receiving an Invalid's Benefit ¹				
	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
18–24 years	4,828	5,077	5,273	5,456	5,592
25–39 years	16,416	16,652	16,600	16,546	16,485
40–49 years	15,957	16,976	17,757	18,351	18,711
50–59 years	18,862	20,180	21,160	22,108	22,852
60–64 years	11,067	11,922	12,396	12,888	13,661
Total working aged clients	67,130	70,807	73,186	75,349	77,301

Note

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

table
A3.9**Trends in the ages of working aged clients receiving a Widow's Benefit
(used in figure 3.10)**

Age of client at the end of June	Working aged clients receiving a Widow's Benefit ¹				
	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
18–24 years	11	9	10	13	11
25–39 years	409	348	330	298	257
40–49 years	1,067	996	936	838	762
50–59 years	3,036	2,839	2,662	2,530	2,237
60–64 years	4,003	4,069	3,699	3,322	3,020
Total working aged clients	8,526	8,261	7,637	7,001	6,287

Note

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

table
A3.10**Trends in the ages of working aged registered job seekers (used in figure 3.12)**

Age of registered job seeker at the end of June	Working aged registered job seekers ¹				
	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
18–24 years	38,033	27,093	21,408	19,452	14,190
25–39 years	55,522	39,265	29,516	27,765	20,710
40–49 years	30,201	21,210	16,303	15,264	12,252
50–59 years	16,115	15,662	11,814	10,920	8,957
60–64 years	1,329	1,130	1,828	1,619	1,981
Total working aged clients	141,200	104,360	80,869	75,020	58,090

Note

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

table
A3.11**Trends in the ages of clients aged 65 years or over and receiving New Zealand
Superannuation (used in figure 3.13)**

Age of client at the end of June	Clients aged 65 years or over receiving New Zealand Superannuation ¹				
	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
65–69 years	123,485	127,786	135,322	144,867	153,900
70–74 years	112,069	111,757	111,329	111,240	113,201
75–79 years	92,571	94,098	95,021	96,754	97,382
80 years or over	110,658	113,661	117,367	120,993	124,447
Total aged 65 years or over	438,783	447,302	459,039	473,854	488,930

Note

1 Numbers of clients aged 65 years or over and recorded in SWIFTT as receiving New Zealand Superannuation at the end of June.

table
A3.12**Trends in the ages of clients aged 65 years or over and receiving a Veteran's Pension (used in figure 3.15)**

Age of client at the end of June	Clients aged 65 years or over receiving a Veteran's Pension ¹				
	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
65–69 years	415	452	478	562	681
70–74 years	753	779	776	828	887
75–79 years	1,887	1,793	1,670	1,577	1,514
80 years or over	4,189	4,764	5,238	5,816	6,306
Total aged 65 years or over	7,244	7,788	8,162	8,783	9,388

Note

1 Numbers of clients aged 65 years or over and recorded in SWIFTT as receiving a Veteran's Pension at the end of June.

table
A3.13**Trends in the ages of working aged clients receiving an Emergency Benefit (used in figure 3.17)**

Age of client at the end of June	Working aged clients receiving an Emergency Benefit ¹				
	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
18–24 years	558	503	425	433	390
25–39 years	1,343	1,240	1,037	1,017	866
40–49 years	898	843	744	822	659
50–59 years	789	809	783	833	853
60–64 years	788	734	489	633	635
Total working aged clients	4,376	4,129	3,478	3,738	3,403

Note

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

table
A3.14**Trends in the ages of clients aged 18 years or over and receiving an Accommodation Supplement (used in figure 4.1)**

Age of client at the end of June	Clients aged 18 years or over receiving an Accommodation Supplement ¹				
	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
18–24 years	45,004	38,638	37,113	36,741	34,220
25–39 years	98,938	90,945	92,576	93,960	90,245
40–49 years	46,258	44,892	47,394	49,860	49,459
50–59 years	26,958	26,285	27,711	29,251	29,008
60–64 years	12,014	12,026	12,299	12,442	12,479
65 years or over	19,710	21,159	22,932	24,682	25,901
Total aged 18 years or over	248,882	233,945	240,025	246,936	241,312

Note

1 Numbers of clients aged 18 years or over and recorded in SWIFTT as receiving an Accommodation Supplement at the end of June.

table
A3.15

Trends in the ages of children aged under 18 years and covered by an Unsupported Child's Benefit or an Orphan's Benefit (used in figure 4.3)

Age of child at the end of June	Children aged under 18 years covered by an Unsupported Child's Benefit or Orphan's Benefit ¹				
	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
0-4 years	1,059	1,107	1,193	1,299	1,364
5-9 years	2,384	2,554	2,637	2,736	2,863
10-13 years	2,494	2,608	2,746	2,862	2,929
14-17 years	2,895	3,024	3,056	3,133	3,127
Total aged under 18 years	8,832	9,293	9,632	10,030	10,283

Note

¹ Numbers of children aged under 18 years and recorded in SWIFTT as being covered by an Unsupported Child's Benefit or Orphan's Benefit at the end of June.

table
A3.16

Trends in the number of children aged under five years and covered by a Childcare Subsidy (used in figure 4.5)

	Children aged under five years covered by a Childcare Subsidy ¹				
	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
Total children aged under five years	25,503	24,119	33,181	36,745	42,356

Note

¹ Numbers of children aged under five years and recorded in SWIFTT as being covered by a Childcare Subsidy at the end of June.

table
A3.17

Trends in the ages of children aged 5-13 years and covered by an OSCAR Subsidy (used in figure 4.6)

Age of child at the end of June	Children aged 5-13 years covered by an OSCAR Subsidy ¹				
	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
5-9 years	1,529	1,727	3,404	4,355	5,652
10-13 years	319	384	881	1,291	1,723
Total aged 5-13 years	1,848	2,111	4,285	5,646	7,375

Note

¹ Numbers of children aged 5-13 years and recorded in SWIFTT as being covered by an OSCAR Subsidy at the end of June.

table
A3.18**Trends in the ages of people covered by a Disability Allowance (used in figure 4.8)**

Age at the end of June	People covered by a Disability Allowance ^{1,2}				
	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
0–14 years	12,564	12,619	10,590	9,612	8,981
15–17 years	1,972	2,225	1,970	1,880	1,896
18–24 years	5,449	5,740	5,377	5,220	5,496
25–39 years	24,821	25,260	21,694	20,685	20,780
40–49 years	22,882	24,170	22,626	22,770	23,244
50–59 years	26,811	28,706	27,796	28,080	28,293
60–64 years	19,062	19,816	19,388	19,199	19,465
65 years or over	105,478	112,848	117,393	120,274	123,059
Total clients covered by a Disability Allowance	219,040	231,385	226,834	227,720	231,214

Notes

- 1 Includes Disability Allowances, Disability Allowances – Telephone Support and assistance delivered under the Disability Assistance Programme.
- 2 Numbers of people recorded in SWIFTT as being covered by a Disability Allowance at the end of June.

table
A3.19**Trends in the ages of children aged under 18 years and covered by a Child Disability Allowance (used in figure 4.10)**

Age of child at the end of June	Children aged under 18 covered by a Child Disability Allowance ¹				
	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
0–4 years	6,179	7,368	7,581	8,237	8,899
5–9 years	9,009	10,360	11,115	12,200	13,172
10–13 years	7,630	8,470	8,872	9,643	10,420
14–17 years	4,435	5,162	5,376	6,028	6,547
Total children aged under 18 years	27,253	31,360	32,944	36,108	39,038

Note

- 1 Numbers of children aged under 18 years and recorded in SWIFTT as being covered by a Child Disability Allowance at the end of June.

table
A3.20**Trends in the ages of clients aged 65 years or over with a Residential Care Subsidy being paid towards the cost of their care (used in figure 4.13)**

Age of client at the end of June	Clients aged 65 years or over receiving a Residential Care Subsidy ¹				
	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
65–69 years	910	906	926	991	1,038
70–74 years	1,515	1,483	1,461	1,564	1,505
75–79 years	2,383	2,392	2,297	2,685	2,593
80 years or over	10,255	10,302	10,214	13,666	13,548
Total clients aged 65 years or over	15,063	15,083	14,898	18,906	18,684

Note

- 1 Numbers of clients aged 65 years or over and recorded in SWIFTT as receiving a Residential Care Subsidy at the end of June.

table
A3.21**Trends in the ages of clients aged 18 years or over and receiving a Special Benefit or Temporary Additional Support (used in figure 4.15)**

Age of client at the end of June	Clients aged 18 years or over receiving a Special Benefit or Temporary Additional Support ^{1,2}				
	2003 Number	2004 Number	2005 Number	2006 Number	2007 Number
18–24 years	3,886	6,038	6,325	5,608	4,393
25–39 years	16,291	23,400	22,192	19,236	14,425
40–49 years	8,313	11,881	12,479	11,696	10,063
50–59 years	4,562	6,633	7,933	8,164	7,527
60–64 years	1,597	2,357	2,876	2,998	2,851
65 years or over	673	1,043	1,336	1,559	1,587
Total clients aged 18 years or over	35,322	51,352	53,141	49,261	40,846

Notes

- 1 Numbers of clients aged 18 years or over and recorded in SWIFTT as receiving a Special Benefit at the end of June.
- 2 Temporary Additional Support was available from 1 April 2006.



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