

Vote Social Development

MINISTER(S) RESPONSIBLE FOR APPROPRIATIONS: Minister for Social Development and Employment (M63)

ADMINISTERING DEPARTMENT: Ministry of Social Development

MINISTER RESPONSIBLE FOR MINISTRY OF SOCIAL DEVELOPMENT: Minister for Social Development and Employment

Details of Appropriations

Details of Annual and Permanent Appropriations

Titles and Scopes of Appropriations by Appropriation Type	2007/08		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Departmental Output Expenses			
Community Services Card (M63) Services to issue and produce Community Services cards, promote and distribute information about the card.	5,764	-	5,764
Debt Management - Former Beneficiaries (M63) Services to manage debt from former beneficiaries.	19,452	(2,676)	16,776
Family and Community Services (M63) Provision of leadership and co-ordination services to support and strengthen families and whānau; including providing information and advice that assists families, young people and communities and managing preventative social services programmes.	28,638	1,302	29,940
Policy and Purchase Advice (M63) Provision of social policy advice, research and evaluation, purchase and monitoring advice in regard to social service sector delivery agencies and Crown entities, and ministerial services.	39,745	2,977	42,722
Services to Minimise the Duration of Unemployment and Move People into Work (M63) Strategies and services designed to reduce unemployment and reduce the time spent by people on social security benefits; including supporting clients to be work ready, facilitating job seeker attachment to work opportunities and supporting clients in employment.	230,297	1,749	232,046
Services to Protect the Integrity of the Benefit System (M63) Services to minimise errors, fraud and abuse of the benefit system.	36,464	2,324	38,788
Services to Provide Benefit Entitlements and Obligations to Working Age Beneficiaries and to Promote Self-Sufficiency (M63) Services to manage the delivery of income support payments, including the assessment and payment of primary and supplementary benefits to working age beneficiaries, and managing client debt repayments.	281,264	(20,493)	260,771
Services to Seniors (M63) Services to manage the delivery of New Zealand Superannuation and New Zealand's international social security agreements.	41,519	(704)	40,815
Services to Students (M63) Services to manage the assessment and payment of Student Allowances and Student Loans, administration of grants and scholarships and provision of comprehensive information to students who are either already in tertiary study, or are considering tertiary study.	32,519	3,808	36,327
Social Development Leadership (M63) Provision of strategic social policy advice and regional social development leadership.	2,931	-	2,931
Total Departmental Output Expenses	718,593	(11,713)	706,880
Non-Departmental Output Expenses			
Capacity Building Initiatives (M63) Provision of services to deliver talking books and articles for the blind, and purchase of services from the Red Cross.	1,190	260	1,450

Titles and Scopes of Appropriations by Appropriation Type	2007/08		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Children's Commissioner (M63) Provision of services from the Children's Commissioner including the discharge of the Commissioner's duties under the CYP&F Act, the Children's Commissioner Act, identification of aspects of law, policy and practice that might adversely affect children and the development and proposal of remedies.	1,757	500	2,257
Connected Communities (M63) Purchase of services to strengthen community cohesion, participation, and capability.	12,325	(9,719)	2,606
Families Commission (M63) Provision of services from the Families Commission to promote the interests of the full range of New Zealand families and promote better understanding of family issues and needs amongst government agencies and in the wider community, and to undertake a research programme.	8,170	(500)	7,670
Retirement Commissioner (M63) Provision of services from the Retirement Commissioner to develop and promote methods of improving the effectiveness of retirement income policies. This is achieved through the publishing of information and the delivery of a comprehensive public education programme on retirement savings issues.	5,747	-	5,747
Services for At-Risk Youth (M63) Provision of services to increase employment outcomes for at-risk youth. These services aim to assist participants into full-time employment, develop sustainable employment pathways, provide targeted education and reduce youth offending.	543	-	543
Strong Families (M63) Purchase of services to improve outcomes for families and their members. These services aim to support vulnerable families with a focus on prevention and early intervention.	62,310	7,044	69,354
Student Placement Services (M63) Provision of placement services for students for holiday and term employment.	3,512	-	3,512
Vocational Services for People with Disabilities (M63) Provision of vocational services for people with disabilities including community participation and employment services.	85,911	-	85,911
Total Non-Departmental Output Expenses	181,465	(2,415)	179,050
Benefits and Other Unrequited Expenses			
Accommodation Supplement (M63) Provision of financial assistance to people with high accommodation costs relative to income and with limited cash assets. Paid to people who meet the eligibility criteria under sections 61E to 61EC of the Social Security Act 1964.	908,605	(16,511)	892,094
Benefits Paid in Australia (M63) Reimbursement to the Australian Government for income support assistance provided to New Zealanders eligible under the 1994 Reciprocal Agreement, which was terminated for new entrants on 1 July 2002. From 1 July 2002 the Social Welfare (Reciprocity with Australia) Order 2002 came into force, with payments now reflecting pre-agreed amounts in Australian currency before adjusting for annual inflation.	58,130	(227)	57,903
Child Disability Allowance (M63) Provision of non-means tested income support for the principal caregiver of a child with a serious disability. Paid in accordance with the criteria set out in sections 39A to 39E of the Social Security Act 1964.	87,085	1,255	88,340

Titles and Scopes of Appropriations by Appropriation Type	2007/08		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Benefits and Other Unrequited Expenses - cont'd			
Childcare Assistance (M63) Provision of assistance with the cost of childcare that meets specific quality guidelines, and where parents meet activity and income criteria pursuant to the Social Security (Childcare Assistance) Regulations 2004.	130,240	24,692	154,932
Disability Allowance (M63) Provision of income-tested support for people who have ongoing, additional costs because of their disability, where the disability is likely to last at least 6 months. Paid in accordance with criteria set out in section 69C of the Social Security Act 1964 and in the Disability Allowance Ministerial Direction pursuant to section 5 of the Social Security Act 1964.	279,035	(99)	278,936
Domestic Purposes Benefit (M63) Provision of income support for sole parents, caregivers of sick or infirm people or women alone, whose domestic circumstances exclude them from fully participating in the labour force. Paid in accordance with criteria set out in section 27A, 27B, 27BA, 27C, 27D, 27G of the Social Security Act 1964.	1,456,234	23,339	1,479,573
Family Start/NGO Awards (M63) Payment of course fees for Family Start family/whānau and NGO workers pursuing social work qualifications.	604	(65)	539
Independent Youth Benefit (M63) Provision of income support for people aged 16 or 17 years who are currently unemployed but actively seeking work, training for work, at school, or sick, injured or disabled, where it is inappropriate for them to obtain financial support from their parents. Paid in accordance with criteria set out in sections 60F-60GAA of the Social Security Act 1964.	13,043	282	13,325
Invalids' Benefit (M63) Provision of means-tested income support for people who are totally blind, or permanently and severely restricted in their capacity for work due to sickness, injury or disability. Paid in accordance with the criteria set out in sections 39F to 45 of the Social Security Act 1964.	1,201,420	15,281	1,216,701
Merit Scholarships (M63) Provision of bonded scholarships that reward New Zealand's most academically capable students by providing financial support.	7,500	-	7,500
Ministerial Welfare Programmes Providing Specialist Types of Assistance (M63) This provision covers seven types of payments which unless otherwise stated below are paid in accordance with the criteria set out in the relevant Ministerial Welfare Programme pursuant to section 124 (1) (d) of the Social Security Act 1964. These are: the Home Help Programme, Clothing Allowance, Civilian Amputees, the Community Costs Programme, Disability Allowance Telephone Support, Relocation Assistance and Residential Social Rehabilitation Assistance. Home Help assists people who need domestic support as a result of a domestic emergency or another reason and there is no one available in the home to provide such help. It also provides non-means tested financial assistance for home help to parents in the instance of a multiple birth. Clothing Allowance can be paid to recipients of a Residential Care Subsidy or Residential Care Loan, pursuant to sections 154 and 155 of the Social Security Act 1964. Civilian Amputees assistance is available to people to meet costs associated with attending a limb centre, pursuant to section 30 of the Disabled Persons Community Welfare Act 1975. The Community Costs programme provides financial assistance to people in certain short-term residential treatment programmes. Disability Allowance Telephone Support provides assistance with telephone rental costs for some people with disabilities. Relocation Assistance provides assistance to victims of domestic violence and witness protection cases on the recommendation of the NZ Police. Residential Social Rehabilitation Assistance assists people resident in approved residential social rehabilitation programmes to pay the cost of treatment or care in those programmes.	13,801	505	14,306

Titles and Scopes of Appropriations by Appropriation Type	2007/08		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
New Zealand Superannuation (M63) Provision of an income for people who have reached the qualifying age of 65 years and fulfil the residency requirements, as provided for in the New Zealand Superannuation Act 2001.	7,291,622	68,832	7,360,454
Orphans'/Unsupported Child's Benefit (M63) Provision of income support for people charged with the responsibility for the care of a child whose parents are dead or cannot be located, or suffer a serious long-term disablement which renders them unable to care for the child, or where there has been a breakdown in the child's family. Paid in accordance with criteria set out in sections 28-31 of the Social Security Act 1964. It also provides for payments to former foster parents receiving Orphan's Benefit or Unsupported Child's Benefit for a child previously in the care of Child, Youth and Family.	80,902	(286)	80,616
Scholarship and NQF/NCEA Awards (M63) Provision of awards in recognition of achievement in New Zealand Scholarship and the National Qualifications Framework/National Certificate of Education Achievement Level 3.	4,639	-	4,639
Sickness Benefit (M63) Provision of means-tested income support for people who are not in full-time employment and are limited in their capacity for work, or who are in employment but working at a reduced level, because of sickness, injury, disability or pregnancy. Paid in accordance with the criteria set out in sections 54 to 54F of the Social Security Act 1964.	607,636	(26,279)	581,357
Special Annuities (M63) Provision to pay annuities authorised by Cabinet to recognise a special contribution by the recipient to New Zealand society. The programme is administered by the Secretary for War Pensions.	40	11	51
Special Benefit (M63) Provision of means-tested discretionary assistance to clients whose particular circumstances are causing ongoing hardship, in accordance with criteria set out in section 61G of the Social Security Act 1964 and in the Special Benefit Ministerial Direction made pursuant to section 5 of the Social Security Act 1964. This non-taxable payment is not intended as a long-term solution to a client's shortfall. It is paid to help meet essential costs while the client makes efforts to reduce their living costs or increase their income.	66,773	4,282	71,055
Special Needs Grants (M63) Provision of means-tested mainly non-recoverable assistance for people who have an immediate need because they face emergency or essential costs, or in specific circumstances. Paid in accordance with criteria set out in the Special Needs Grants Programme made pursuant to section 124(1)(d) of the Social Security Act 1964. Means tested Funeral Grants are payable under sections 61D to 61DE of the Social Security Act 1964.	58,285	1,283	59,568
Special Transfer Allowance (M63) Provision of assistance with accommodation costs to recipients of the Special Transfer Allowance prior to November 2000 and to former Tenure Protection Allowance recipients who ceased to be eligible because HNZA sold their house to a private landlord. Paid in accordance with the criteria set out in the Special Transfer Allowance Programme 2000 pursuant to section 124(1)(d) of the Social Security Act 1964.	125	11	136
Step Up Scholarships (M63) Provision of financial support to assist young students from low income backgrounds to participate in high cost tertiary education courses.	8,064	-	8,064
Student Allowances (M63) Provision of means-tested allowances for students who are on an approved study programme at a school or recognised tertiary institute in accordance with the criteria set out in the Student Allowances Regulations 1998. Also includes payments to students with dependents as set out in the Student Allowance Transfer Grant Programme pursuant to section 124(1)(d) of the Social Security Act 1964.	401,794	(14,641)	387,153

Titles and Scopes of Appropriations by Appropriation Type	2007/08		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Benefits and Other Unrequited Expenses - cont'd			
TeachNZ Scholarships (M63) Provision of financial support for early childhood, Māori medium and some secondary subject teacher trainees.	13,607	4,009	17,616
Temporary Additional Support (M63) Provision of means tested temporary financial assistance of last resort to alleviate financial hardship for people whose essential costs cannot be met from their chargeable income and other sources, as set out in accordance with criteria in section 61 G and in accordance with any regulations made under section 132AB of the Social Security Act 1964 which comes into force on 1 April 2006. This non-taxable payment is made to help meet essential living costs while clients reduce their commitments and live within their usual income.	48,190	5,056	53,246
Training Incentive Allowance (M63) Provision of assistance with costs of undertaking approved employment related training for recipients of a Benefit under the Social Security Act 1964, excluding New Zealand Superannuation or Veteran's Pension. Paid in accordance with the criteria set out in the Training Incentive Allowance Programme and the Course Participation Programme pursuant to section 124(1)(d) of the Social Security Act 1964.	43,761	(14,063)	29,698
Transition to Work (M63) Provision of payments to beneficiaries, low income earners, students and ex beneficiaries, who meet certain criteria, to assist in the transition from benefit to employment and the continuation of employment. These provisions are paid in accordance with the criteria set out in the Seasonal Work Assistance Programme pursuant to section 5 and section 124(1)(d) of the Social Security Act 1964, and the Transition to Work Grant Programme pursuant to section 124(1) (d) of the Social Security Act 1964.	11,434	4,853	16,287
Transitional Supplement (M63) Provision of supplementary assistance to ensure that beneficiaries and non-beneficiaries who may be otherwise unintentionally financially disadvantaged by changes to legislation will be no worse off financially at the point of change. Paid in accordance with criteria set out in the Social Security (Working for Families - Transitional Supplement) Regulations 2004 made pursuant to section 25 of the Social Security (Working for Families) Amendment Act 2004 and the Social Security (Working New Zealand - Transitional Supplement) Regulations 2007 made pursuant to section 20 of the Social Security Amendment Act 2007.	7	5	12
Unemployment Benefit (M63) Provision of means-tested assistance for people who are not in full-time employment and are available for and seeking full time employment, or engaged in approved activities. Paid in accordance with criteria set out in sections 88A to 123D of the Social Security Act 1964.	497,339	(40,645)	456,694
Widows' Benefit (M63) Provision of means-tested income support for women whose partners have died and who do not yet qualify for New Zealand Superannuation, but meet residency and other requirements. Paid in accordance with criteria set out in section 21 of the Social Security Act 1964.	75,028	(2,228)	72,800
Total Benefits and Other Unrequited Expenses	13,364,943	38,652	13,403,595
Other Expenses to be Incurred by the Crown			
Community Labour Market Development Assistance (M63) Assistance to communities and groups to develop initiatives leading to sustainable opportunities for employment that lead to self sufficiency and contribute to the local economy.	9,333	-	9,333
Debt Write-downs (M63) Provision for write-downs of Crown debt administered by the Ministry of Social Development due to debt write offs or debt provisions resulting from the need to value debt in accordance with generally accepted accounting practice.	596,115	35,257	631,372

	2007/08		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Titles and Scopes of Appropriations by Appropriation Type			
Employment Assistance (M63) Provision of assistance to help address barriers faced by job seekers so they can become work ready, move into employment and stay in employment for longer periods of time. This employment assistance is governed by the Cabinet and Ministerial Guidelines for Employment and Training Assistance.	85,468	-	85,468
Out of School Care Programmes (M63) Provision of assistance to CYF approved OSCAR programmes to assist with the establishment and/or operating costs of OSCAR programmes.	15,002	-	15,002
Suspensory Loan Abatement (M63) Provision for the abatement of suspensory loans.	5	5	10
Total Other Expenses to be Incurred by the Crown	705,923	35,262	741,185
Capital Expenditure to be Incurred by the Department			
Ministry of Social Development - Capital Expenditure PLA (M63) This appropriation is limited to the purchase or development of assets by and for the use of the Ministry of Social Development, as authorised by section 24(1) of the Public Finance Act 1989	-	78,648	78,648
Total Capital Expenditure to be Incurred by the Department	-	78,648	78,648
Capital Expenditure to be Incurred by the Crown			
Community Services Card Reimbursements (M63) Provision to reimburse low-income earners who are eligible for, but are yet to receive, a Community Services Card in accordance with the criteria set out in regulation 5(1) of the Health Entitlement Cards Regulations 1993.	170	(66)	104
Recoverable Assistance (M63) Facility for low-income earners and beneficiaries to access means-tested assistance to enable them to meet essential and immediate needs, or costs in specific circumstances. Criteria are set out in the Welfare Programme for Recoverable Assistance for Non-Beneficiaries pursuant to section 124(1)(d) of the Social Security Act 1964; Ministerial Direction for Advance Payment of Benefits pursuant to section 5 of the Social Security Act 1964 and recoverable Special Needs Grants in relevant parts of Welfare Programme for Special Needs Grants pursuant to section 124(1)(d) of the Social Security Act 1964.	115,058	3,229	118,287
Student Loans (M63) Provision of loans to tertiary students undertaking studies at approved tertiary institutions to assist with fees, course-related expenses and living costs. These loans are repayable at a set rate on income earned over a set threshold.	1,268,406	(52,168)	1,216,238
Total Capital Expenditure to be Incurred by the Crown	1,383,634	(49,005)	1,334,629
Total Annual and Permanent Appropriations	16,354,558	89,429	16,443,987

Details of Projected Movements in Departmental Net Assets

Ministry of Social Development

Details of Net Asset Schedule	2007/08 Estimates Projections \$000	2007/08 Supplementary Estimates Projections \$000	Explanation of Projected Movements in 2007/08
Opening Balance	313,347	329,295	Supplementary Estimates opening balance reflects the audited results as at 30 June 2007.
Capital Injections	1,500	-	
Capital Withdrawals	-	-	
Surplus to be Retained (Deficit Incurred)	-	-	
Other Movements	-	-	
Closing Balance	314,847	329,295	

Information Supporting the Supplementary Estimates

Vote Social Development

MINISTER(S) RESPONSIBLE FOR APPROPRIATIONS: Minister for Social Development and Employment (M63)

ADMINISTERING DEPARTMENT: Ministry of Social Development

MINISTER RESPONSIBLE FOR MINISTRY OF SOCIAL DEVELOPMENT: Minister for Social Development and Employment

Part 1 - Summary of the Vote

Part 1.3 - Trends in the Vote

Summary of Financial Activity

	2007/08				
	Estimates \$000	Supplementary Estimates			Total \$000
		Departmental Transactions \$000	Non- Departmental Transactions \$000	Total Transactions \$000	
Appropriations					
Output Expenses	900,058	(11,713)	(2,415)	(14,128)	885,930
Benefits and Other Unrequited Expenses	13,364,943	N/A	38,652	38,652	13,403,595
Borrowing Expenses	-	-	-	-	-
Other Expenses	705,923	-	35,262	35,262	741,185
Capital Expenditure	1,383,634	78,648	(49,005)	29,643	1,413,277
Intelligence and Security Department Expenses and Capital Expenditure	-	-	N/A	-	-
Total Appropriations	16,354,558	66,935	22,494	89,429	16,443,987
Crown Revenue and Receipts					
Tax Revenue	-	N/A	N/A	-	-
Non-Tax Revenue	89,107	N/A	N/A	2,483	91,590
Capital Receipts	527,208	N/A	N/A	(29,038)	498,170
Total Crown Revenue and Receipts	616,315	N/A	N/A	(26,555)	589,760

Part 2 - Details and Expected Performance for Output Expenses

Part 2.1 - Departmental Output Expenses

Debt Management - Former Beneficiaries (M63)

Scope of Appropriation

Services to manage debt from former beneficiaries.

Reasons for Change in Appropriation

This appropriation will decrease by \$2.676 million to \$16.776 million for 2007/08. The decrease mainly relates to a transfer to fund operational pressures in the Services to Protect the Integrity of the Benefit System output (\$2.500 million).

Family and Community Services (M63)

Scope of Appropriation

Provision of leadership and co-ordination services to support and strengthen families and whānau; including providing information and advice that assists families, young people and communities and managing preventative social services programmes.

Reasons for Change in Appropriation

This appropriation will increase by \$1.302 million to \$29.940 million for 2007/08. The increase mainly relates to a transfer of \$1.200 million from the Services to Provide Benefit Entitlements and Obligations to Working Age Beneficiaries and to Promote Self-Sufficiency output to fund operational pressures.

Policy and Purchase Advice (M63)

Scope of Appropriation

Provision of social policy advice, research and evaluation, purchase and monitoring advice in regard to social service sector delivery agencies and Crown entities, and ministerial services.

Reasons for Change in Appropriation

This appropriation will increase by \$2.977 million to \$42.722 million for 2007/08. The main reasons for the increase are additional funding for the Longitudinal Study of New Zealand Children and Families (\$3.027 million), which is offset by a transfer of \$1.673 million to 2008/09. There is also an increase in overheads of \$1.100 million from Vote Child, Youth and Family Services to reflect staff numbers.

Services to Minimise the Duration of Unemployment and Move People into Work (M63)

Scope of Appropriation

Strategies and services designed to reduce unemployment and reduce the time spent by people on social security benefits; including supporting clients to be work ready, facilitating job seeker attachment to work opportunities and supporting clients in employment.

Reasons for Change in Appropriation

This appropriation will increase by \$1.749 million to \$232.046 million in 2007/08. The increase relates to:

- funds for the Working New Zealand Health and Disability Innovation contingency (\$4.586 million)
- funds allocated from the Migrant Levy (\$464,000)
- these increases are offset by an expenses transfer to fund the replacement of MSD's key business systems (\$2.201 million) and a transfer to Vote Community and Voluntary Sector to partially fund the Community Partnership initiative (\$1.100 million).

Services to Protect the Integrity of the Benefit System (M63)

Scope of Appropriation

Services to minimise errors, fraud and abuse of the benefit system.

Reasons for Change in Appropriation

This appropriation will increase by \$2.324 million to \$38.788 million for 2007/08. The increase relates to:

- funding for operational pressures from the Debt Management - Former Beneficiaries output (\$2.500 million)
- offset by an expense transfer to fund the replacement of the Ministry of Social Development's (MSD's) key business systems (\$176,000).

Services to Provide Benefit Entitlements and Obligations to Working Age Beneficiaries and to Promote Self-Sufficiency (M63)

Scope of Appropriation

Services to manage the delivery of income support payments, including the assessment and payment of primary and supplementary benefits to working age beneficiaries, and managing client debt repayments.

Reasons for Change in Appropriation

This appropriation will decrease by \$20.493 million to \$260.771 million in 2007/08. The decrease relates to:

- a reduction in overheads to reflect staff numbers (\$12.200 million)
- a transfer to fund operational pressures in the Family and Community Services and the Services to Students outputs (\$4.700 million)
- an expense transfer to fund the replacement of MSD's key business systems (\$4.391 million)
- a transfer to fund the Citizens' Support initiative (\$260,000)
- an increase in Capital Charge to reflect an increase in the value of land and buildings (\$1.058 million).

Services to Seniors (M63)

Scope of Appropriation

Services to manage the delivery of New Zealand Superannuation and New Zealand's international social security agreements.

Reasons for Change in Appropriation

This appropriation will decrease by \$704,000 to \$40.815 million for 2007/08. This decrease relates to an expense transfer to fund the replacement of MSD's key business systems.

Services to Students (M63)

Scope of Appropriation

Services to manage the assessment and payment of Student Allowances and Student Loans, administration of grants and scholarships and provision of comprehensive information to students who are either already in tertiary study, or are considering tertiary study.

Reasons for Change in Appropriation

This appropriation will increase by \$3.808 million to \$36.327 million for 2007/08. This increase mainly relates to a transfer from the Services to Provide Benefit Entitlements and Obligations to Working Age Beneficiaries and to Promote Self-Sufficiency output, of \$3.500 million, to fund operating pressures caused by increases in applications for Student Loans and Allowances.

Part 2.2 - Non-Departmental Output Expenses

Capacity Building Initiatives (M63)

Scope of Appropriation

Provision of services to deliver talking books and articles for the blind, and purchase of services from the Red Cross.

Reasons for Change in Appropriation

This appropriation will increase by \$260,000 to \$1.450 million for 2007/08. The increase relates to a transfer from the Services to Provide Benefit Entitlements and Obligations to Working Age Beneficiaries and to Promote Self-Sufficiency output, to fund the Citizens' Support initiative.

Children's Commissioner (M63)

Scope of Appropriation

Provision of services from the Children's Commissioner including the discharge of the Commissioner's duties under the CYP&F Act, the Children's Commissioner Act, identification of aspects of law, policy and practice that might adversely affect children and the development and proposal of remedies.

Reasons for Change in Appropriation

This appropriation will increase by \$500,000 to \$2.257 million in 2007/08. The increase relates to a transfer of funds from the Families Commission to allow the Children's Commissioner to address capability issues and to complete some key projects.

Connected Communities (M63)

Scope of Appropriation

Purchase of services to strengthen community cohesion, participation, and capability.

Reasons for Change in Appropriation

This appropriation will decrease by \$9.719 million to \$2.606 million for 2007/08. This mainly relates to a transfer of \$9.748 million to reallocate initial funding for the Pathway to Partnership Budget 2007 initiative.

Families Commission (M63)

Scope of Appropriation

Provision of services from the Families Commission to promote the interests of the full range of New Zealand families and promote better understanding of family issues and needs amongst government agencies and in the wider community, and to undertake a research programme.

Reasons for Change in Appropriation

This appropriation will decrease by \$500,000 to \$7.670 million for 2007/08. The decrease relates to a transfer of funds to the Children's Commissioner to address capability issues, and to complete some key projects.

Strong Families (M63)

Scope of Appropriation

Purchase of services to improve outcomes for families and their members. These services aim to support vulnerable families with a focus on prevention and early intervention.

Reasons for Change in Appropriation

This appropriation will increase by \$7.044 million to \$69.354 million for 2007/08. This mainly relates to an expense transfer of \$4.890 million, from 2006/07, for the Pathway to Partnership initiative and a reallocation of \$2.051 million of the initial funding for the Pathway to Partnership Budget 2007 initiative.

Part 3 - Details for Benefits and Other Unrequited Expenses

Part 3.2 - Non-Departmental Benefits and Other Unrequited Expenses

Accommodation Supplement (M63)

Scope of Appropriation

Provision of financial assistance to people with high accommodation costs relative to income and with limited cash assets. Paid to people who meet the eligibility criteria under sections 61E to 61EC of the Social Security Act 1964.

Reasons for Change in Appropriation

This appropriation will decrease by \$16.511 million to \$892.094 million for 2007/08, largely because of lower than expected number of recipients.

Benefits Paid in Australia (M63)

Scope of Appropriation

Reimbursement to the Australian Government for income support assistance provided to New Zealanders eligible under the 1994 Reciprocal Agreement, which was terminated for new entrants on 1 July 2002. From 1 July 2002 the Social Welfare (Reciprocity with Australia) Order 2002 came into force, with payments now reflecting pre-agreed amounts in Australian currency before adjusting for annual inflation.

Reasons for Change in Appropriation

This appropriation will decrease by \$227,000 to \$57.903 million for 2007/08. The Australian inflation rate in the year to June 2007 was slightly lower than forecast.

Child Disability Allowance (M63)

Scope of Appropriation

Provision of non-means tested income support for the principal caregiver of a child with a serious disability. Paid in accordance with the criteria set out in sections 39A to 39E of the Social Security Act 1964.

Reasons for Change in Appropriation

This appropriation will increase by \$1.255 million to \$88.340 million for 2007/08, because of a higher than expected number of recipients.

Childcare Assistance (M63)

Scope of Appropriation

Provision of assistance with the cost of childcare that meets specific quality guidelines, and where parents meet activity and income criteria pursuant to the Social Security (Childcare Assistance) Regulations 2004.

Reasons for Change in Appropriation

This appropriation will increase by \$24.692 million to \$154.932 million for 2007/08. The increase is as a consequence of higher average subsidy per child and a higher number of children than anticipated receiving subsidised childcare following the introduction of 20 hours free Early Childhood Education.

Disability Allowance (M63)

Scope of Appropriation

Provision of income-tested support for people who have ongoing, additional costs because of their disability, where the disability is likely to last at least 6 months. Paid in accordance with criteria set out in section 69C of the Social Security Act 1964 and in the Disability Allowance Ministerial Direction pursuant to section 5 of the Social Security Act 1964.

Reasons for Change in Appropriation

This appropriation will decrease by \$99,000 to \$278.936 million for 2007/08. This decrease is owing to a slower than expected increase in the number of recipients combined with a slower than expected rise in the average payment rate.

Domestic Purposes Benefit (M63)

Scope of Appropriation

Provision of income support for sole parents, caregivers of sick or infirm people or women alone, whose domestic circumstances exclude them from fully participating in the labour force. Paid in accordance with criteria set out in section 27A, 27B, 27BA, 27C, 27D, 27G of the Social Security Act 1964.

Reasons for Change in Appropriation

This appropriation will increase by \$23.339 million to \$1,479.573 million for 2007/08. A slower than expected reduction in the number of recipients combined with an increase in the average payment rate (before indexation) has led to the increase.

Family Start/NGO Awards (M63)

Scope of Appropriation

Payment of course fees for Family Start family/whānau and NGO workers pursuing social work qualifications.

Reasons for Change in Appropriation

This appropriation will reduce from \$604,000 to \$539,000 in 2007/08. There have been fewer than expected claims.

Independent Youth Benefit (M63)

Scope of Appropriation

Provision of income support for people aged 16 or 17 years who are currently unemployed but actively seeking work, training for work, at school, or sick, injured or disabled, where it is inappropriate for them to obtain financial support from their parents. Paid in accordance with criteria set out in sections 60F-60GAA of the Social Security Act 1964.

Reasons for Change in Appropriation

This appropriation will increase by \$282,000 to \$13.325 million for 2007/08. The average rate paid to recipients was higher than expected. There has also been an increase in the appropriation to reduce the likelihood of an overspend.

Invalids' Benefit (M63)

Scope of Appropriation

Provision of means-tested income support for people who are totally blind, or permanently and severely restricted in their capacity for work due to sickness, injury or disability. Paid in accordance with the criteria set out in sections 39F to 45 of the Social Security Act 1964.

Reasons for Change in Appropriation

This appropriation will increase by \$15.281 million to \$1,216.701 million for 2007/08. Invalid's benefit recipients are influenced by demographic trends and, in the short term, by changes in administration under Working New Zealand.

Ministerial Welfare Programmes Providing Specialist Types of Assistance (M63)

Scope of Appropriation

This provision covers seven types of payments which unless otherwise stated below are paid in accordance with the criteria set out in the relevant Ministerial Welfare Programme pursuant to section 124 (1) (d) of the Social Security Act 1964. These are: the Home Help Programme, Clothing Allowance, Civilian Amputees, the Community Costs Programme, Disability Allowance Telephone Support, Relocation Assistance and Residential Social Rehabilitation Assistance.

Home Help assists people who need domestic support as a result of a domestic emergency or another reason and there is no one available in the home to provide such help. It also provides non-means tested financial assistance for home help to parents in the instance of a multiple birth.

Clothing Allowance can be paid to recipients of a Residential Care Subsidy or Residential Care Loan, pursuant to sections 154 and 155 of the Social Security Act 1964.

Civilian Amputees assistance is available to people to meet costs associated with attending a limb centre, pursuant to section 30 of the Disabled Persons Community Welfare Act 1975.

The Community Costs programme provides financial assistance to people in certain short-term residential treatment programmes.

Disability Allowance Telephone Support provides assistance with telephone rental costs for some people with disabilities.

Relocation Assistance provides assistance to victims of domestic violence and witness protection cases on the recommendation of the NZ Police.

Residential Social Rehabilitation Assistance assists people resident in approved residential social rehabilitation programmes to pay the cost of treatment or care in those programmes.

Reasons for Change in Appropriation

This appropriation will increase by \$505,000 to \$14.306 million for 2007/08. Growth in payments for Home Help accounts for most of the rise, with an increase in the appropriation to reduce the likelihood of an overspend also contributing.

New Zealand Superannuation (M63)

Scope of Appropriation

Provision of an income for people who have reached the qualifying age of 65 years and fulfil the residency requirements, as provided for in the New Zealand Superannuation Act 2001.

Reasons for Change in Appropriation

This appropriation will increase by \$68.832 million to \$7,360.454 million for 2007/08. A higher than anticipated number of recipients has more than offset a lower average payment rate (before indexation). A decrease in the amount of overseas pension recoveries further contributed to the increase in appropriation.

Orphans'/Unsupported Child's Benefit (M63)

Scope of Appropriation

Provision of income support for people charged with the responsibility for the care of a child whose parents are dead or cannot be located, or suffer a serious long-term disablement which renders them unable to care for the child, or where there has been a breakdown in the child's family. Paid in accordance with criteria set out in sections 28-31 of the Social Security Act 1964. It also provides for payments to former foster parents receiving Orphan's Benefit or Unsupported Child's Benefit for a child previously in the care of Child, Youth and Family.

Reasons for Change in Appropriation

This appropriation will decrease by \$286,000 to \$80.616 million for 2007/08. This decrease is owing to a slower than expected increase in the number of recipients partially offset by an increase in the average payment rate.

Sickness Benefit (M63)

Scope of Appropriation

Provision of means-tested income support for people who are not in full-time employment and are limited in their capacity for work, or who are in employment but working at a reduced level, because of sickness, injury, disability or pregnancy. Paid in accordance with the criteria set out in sections 54 to 54F of the Social Security Act 1964.

Reasons for Change in Appropriation

This appropriation will decrease by \$26.279 million to \$581.357 million for 2007/08. The reduction is owing to lower client numbers where previously an increase in numbers was forecast, partially due to better information supporting a transfer to Invalid's benefit.

Special Annuities (M63)

Scope of Appropriation

Provision to pay annuities authorised by Cabinet to recognise a special contribution by the recipient to New Zealand society. The programme is administered by the Secretary for War Pensions.

Reasons for Change in Appropriation

This appropriation will increase from \$40,000 to \$51,000 for 2007/08 because of an unanticipated change of payment rate and an increase in the appropriation to reduce the likelihood of an overspend.

Special Benefit (M63)

Scope of Appropriation

Provision of means-tested discretionary assistance to clients whose particular circumstances are causing ongoing hardship, in accordance with criteria set out in section 61G of the Social Security Act 1964 and in the Special Benefit Ministerial Direction made pursuant to section 5 of the Social Security Act 1964. This non-taxable payment is not intended as a long-term solution to a client's shortfall. It is paid to help meet essential costs while the client makes efforts to reduce their living costs or increase their income.

Reasons for Change in Appropriation

This appropriation will increase by \$4.282 million to \$71.055 million for 2007/08. The upward revision is mainly because the average payment rate has been higher than forecast.

Special Needs Grants (M63)

Scope of Appropriation

Provision of means-tested mainly non-recoverable assistance for people who have an immediate need because they face emergency or essential costs, or in specific circumstances. Paid in accordance with criteria set out in the Special Needs Grants Programme made pursuant to section 124(1)(d) of the Social Security Act 1964. Means tested Funeral Grants are payable under sections 61D to 61DE of the Social Security Act 1964.

Reasons for Change in Appropriation

This appropriation will increase by \$1.283 million to \$59.568 million for 2007/08. An increase in appropriation to reduce the likelihood of an overspend combined with welfare provisions for the National Drought offset a reduction in the number of parent beneficiaries.

Special Transfer Allowance (M63)

Scope of Appropriation

Provision of assistance with accommodation costs to recipients of the Special Transfer Allowance prior to November 2000 and to former Tenure Protection Allowance recipients who ceased to be eligible because HNZA sold their house to a private landlord. Paid in accordance with the criteria set out in the Special Transfer Allowance Programme 2000 pursuant to section 124(1)(d) of the Social Security Act 1964.

Reasons for Change in Appropriation

This appropriation will increase by \$11,000 to \$136,000 for 2007/08 because of an increase in the appropriation to reduce the likelihood of an overspend.

Student Allowances (M63)

Scope of Appropriation

Provision of means-tested allowances for students who are on an approved study programme at a school or recognised tertiary institute in accordance with the criteria set out in the Student Allowances Regulations 1998. Also includes payments to students with dependents as set out in the Student Allowance Transfer Grant Programme pursuant to section 124(1)(d) of the Social Security Act 1964.

Reasons for Change in Appropriation

This appropriation will decrease by \$14.641 million to \$387.153 million in 2007/08 because of a decrease in the number of recipients and the average payment rate (before indexation). The decrease in the number of recipients more than offsets the increase owing to the policy change to baseline funding for tertiary education institutions.

TeachNZ Scholarships (M63)

Scope of Appropriation

Provision of financial support for early childhood, Māori medium and some secondary subject teacher trainees.

Reasons for Change in Appropriation

This appropriation will increase by \$4.009 million to \$17.616 million in 2007/08 because of an increase in allowance rates and a transfer of funds from TeachNZ to the Ministry of Social Development, along with the transfer of responsibility for the administration of TeachNZ scholarships allowance payments.

Temporary Additional Support (M63)

Scope of Appropriation

Provision of means tested temporary financial assistance of last resort to alleviate financial hardship for people whose essential costs cannot be met from their chargeable income and other sources, as set out in accordance with criteria in section 61 G and in accordance with any regulations made under section 132AB of the Social Security Act 1964 which comes into force on 1 April 2006. This non-taxable payment is made to help meet essential living costs while clients reduce their commitments and live within their usual income.

Reasons for Change in Appropriation

This appropriation will increase by \$5.056 million to \$53.246 million for 2007/08. The increase is mainly owing to higher than forecast average amount paid per recipient.

Training Incentive Allowance (M63)

Scope of Appropriation

Provision of assistance with costs of undertaking approved employment related training for recipients of a Benefit under the Social Security Act 1964, excluding New Zealand Superannuation or Veteran's Pension. Paid in accordance with the criteria set out in the Training Incentive Allowance Programme and the Course Participation Programme pursuant to section 124(1)(d) of the Social Security Act 1964.

Reasons for Change in Appropriation

This appropriation will decrease by \$14.063 million to \$29.698 million for 2007/08 because of a transfer of funds from Training Incentive Allowance to fund the Supporting a Sustainable NGO Social Service Sector package.

Transition to Work (M63)

Scope of Appropriation

Provision of payments to beneficiaries, low income earners, students and ex beneficiaries, who meet certain criteria, to assist in the transition from benefit to employment and the continuation of employment. These provisions are paid in accordance with the criteria set out in the Seasonal Work Assistance Programme pursuant to section 5 and section 124(1)(d) of the Social Security Act 1964, and the Transition to Work Grant Programme pursuant to section 124(1) (d) of the Social Security Act 1964.

Reasons for Change in Appropriation

This appropriation will increase from \$11.434 million to \$16.287 million. The new Transition to Work Grant programme has had a greater demand than was originally anticipated and there is an increase in the appropriation to reduce the likelihood of an overspend.

Transitional Supplement (M63)

Scope of Appropriation

Provision of supplementary assistance to ensure that beneficiaries and non-beneficiaries who may be otherwise unintentionally financially disadvantaged by changes to legislation will be no worse off financially at the point of change. Paid in accordance with criteria set out in the Social Security (Working for Families - Transitional Supplement) Regulations 2004 made pursuant to section 25 of the Social Security (Working for Families) Amendment Act 2004 and the Social Security (Working New Zealand - Transitional Supplement) Regulations 2007 made pursuant to section 20 of the Social Security Amendment Act 2007.

Reasons for Change in Appropriation

This appropriation will increase by \$5,000 to \$12,000 for 2007/08. An increase in the appropriation to reduce the likelihood of an overspend more than offset a reduction in expenditure due to fewer recipients than anticipated.

Unemployment Benefit (M63)

Scope of Appropriation

Provision of means-tested assistance for people who are not in full-time employment and are available for and seeking full time employment, or engaged in approved activities. Paid in accordance with criteria set out in sections 88A to 123D of the Social Security Act 1964.

Reasons for Change in Appropriation

This appropriation will decrease by \$40.645 million to \$456.694 million for 2007/08. The number of recipients fell at a faster rate than forecast more than offsetting higher average payment rates.

Widows' Benefit (M63)

Scope of Appropriation

Provision of means-tested income support for women whose partners have died and who do not yet qualify for New Zealand Superannuation, but meet residency and other requirements. Paid in accordance with criteria set out in section 21 of the Social Security Act 1964.

Reasons for Change in Appropriation

This appropriation will decrease by \$2.228 million to \$72.800 million for 2007/08. The number of recipients fell at a faster rate than forecast and there has been a lower than forecast average payment rate.

Part 5 - Details and Expected Results for Other Expenses

Part 5.2 - Non-Departmental Other Expenses

Debt Write-downs (M63)

Scope of Appropriation

Provision for write-downs of Crown debt administered by the Ministry of Social Development due to debt write offs or debt provisions resulting from the need to value debt in accordance with generally accepted accounting practice.

Reasons for Change in Appropriation

This appropriation will increase by \$35.257 million to \$631.372 million as an additional allowance has been made for an expected increase in the impairment on Student Loans. The increase is based on the previous years' impairment trends as the actual impairment calculations for Student Loans for the 2007/08 will not be available until the end of July 2008.

Part 6 - Details and Expected Results for Capital Expenditure

Part 6.1 - Departmental Capital Expenditure

Ministry of Social Development - Capital Expenditure PLA (M63)

Scope of Appropriation

This appropriation is limited to the purchase or development of assets by and for the use of the Ministry of Social Development, as authorised by section 24(1) of the Public Finance Act 1989

Capital Expenditure

	2007/08		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	-	38,208	38,208
Intangibles	-	30,708	30,708
Other	-	9,732	9,732
Total Appropriation	-	78,648	78,648

Reasons for Change in Appropriation

The change in appropriation is due to capital expenditure being newly appropriated

Expected Results

	2007/08		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Youth Justice Lower North Redevelopment		1,500	1,500
Youth Justice Central Build		4,000	4,000
Family Home - PPE		6,967	6,967
Software development		30,707	30,707
Motor Vehicles		9,732	9,732
Photocopiers & Office equipment		1,450	1,450
Family Homes - furniture		400	400
Family Homes - IT equipment		160	160
IT equipment - other		7,189	7,189
Leasehold Improvements		16,543	16,543
Total Appropriation		78,648	78,648

Part 6.2 - Non-Departmental Capital Expenditure

Community Services Card Reimbursements (M63)

Scope of Appropriation

Provision to reimburse low-income earners who are eligible for, but are yet to receive, a Community Services Card in accordance with the criteria set out in regulation 5(1) of the Health Entitlement Cards Regulations 1993.

Reasons for Change in Appropriation

This appropriation will decrease by \$66,000 to \$104,000 for 2007/08. The decrease is due to a greater reduction in the usage of Community Services Card than expected.

Recoverable Assistance (M63)

Scope of Appropriation

Facility for low-income earners and beneficiaries to access means-tested assistance to enable them to meet essential and immediate needs, or costs in specific circumstances. Criteria are set out in the Welfare Programme for Recoverable Assistance for Non-Beneficiaries pursuant to section 124(1)(d) of the Social Security Act 1964; Ministerial Direction for Advance Payment of Benefits pursuant to section 5 of the Social Security Act 1964 and recoverable Special Needs Grants in relevant parts of Welfare Programme for Special Needs Grants pursuant to section 124(1)(d) of the Social Security Act 1964.

Reasons for Change in Appropriation

This appropriation will increase by \$3.229 million to \$118.287 million for 2007/08. The increase was the result of higher than anticipated average payment per loan and an increase in the appropriation to reduce the likelihood of an overspend.

Student Loans (M63)

Scope of Appropriation

Provision of loans to tertiary students undertaking studies at approved tertiary institutions to assist with fees, course-related expenses and living costs. These loans are repayable at a set rate on income earned over a set threshold.

Reasons for Change in Appropriation

This appropriation will decrease by \$52.168 million to \$1,216.238 million for 2007/08 reflecting fewer loan borrowers than expected. The number of loan borrowers was anticipated to continue to rise in response to the interest free policy introduced in 2006. The actual increase has been less than expected. This effect is partially offset by the anticipated flow-on effect from baseline funding of tertiary education institutions.